Tracts

492301 P

AGRICULTURE

THE SOURCE OF

THE

WEALTH OF BRITAIN.

83760

AGRICULTURE

THE SOURCE OF

THE

WEALTH OF BRITAIN;

A

REPLY

TO THE OBJECTIONS URGED BY

MR. MILL,

THE EDINBURGH REVIEWERS,

AND OTHERS,

AGAINST THE DOCTRINES OF THE PAMPHLET,

ENTITLED

"BRITAIN INDEPENDENT OF COMMERCE."

WITH

REMARKS

ON THE CRITICISM OF THE MONTHLY REVIEWERS
UPON THAT WORK.

BY WILLIAM SPENCE, F.L.S.

LONDON:

Printed by Luke Hansard and Sons,

FOR T. CADELL AND W. DAVIES, IN THE STRAND.

1808.

Digitized by the Internet Archive
in 2018 with funding from
Wellcome Library

https://archive.org/details/b30345224

AGRICULTURE,

&c.

IN the introductory pages of the pamphlet, the doctrines of which I am now about to defend, I have explained the motives that induced me to write it.

Long ſince convinced of the ſlight importance of Britiſh commerce, and of the futility of our Enemy's attempt to injure us by deſtroying it, I felt indignant that my countrymen ſhould with ſo little reaſon tremble at the tyrant's impotent decrees; and that they ſhould evince by their fears of loſing their trade, that his ſarcaſtic alluſion to our ſhop-keeping notions, was not unmerited. The trepidations of thoſe who dreaded that a nation which annually at the loweſt computation derives a revenue of one hundred and twenty millions from its ſoil, might be ſeriouſly injured by the loſs of its commerce, from which I could not perſuade myſelf that it derived any eſſential wealth, and from which at any rate, not a twelfth part of its annual revenue could be drawn, ſeemed to me as much deſerving of pity as the hallucinations of the hypochondriac, who with a fortune of thouſands, fancies the loſs of a ſingle cuſtomer will be his ruin; and the one caſe appeared as much to demand an argumentative, as the other a medicinal application.

Another motive had a conſiderable ſhare in leading me at the preſent juncture, to give my thoughts on this ſubject to the public. I have frequently lamented that the true principles of political economy,—a ſcience

important above moſt others for its influence upon human happineſs,—ſhould be ſo little attended to in this country. Dr. Smith has now been read and talked about for thirty years, but if we may judge from the reformation which remains to be made in the popular opinion upon moſt of the ſubjects which he treats, the great principles of the ſcience have taken but very ſuperficial root among us. In times of ſcarcity, our magiſtrates and clergymen ſtill talk about the evils of foreſtalling and regrating; and in the ſenate, we ſtill hear the value of a branch of trade, eſtimated by the balance of gold and ſilver, which it is ſuppoſed to leave. Erroneous opinions ſuch as theſe, can be eradicated only by a frequent recurrence, whenever temporary topics have directed the public attention to the ſubject, to the great principles of the ſcience. I was not without hope, therefore, that the intereſt excited by exiſting events, might attract the attention of many, to inquiries in general unjuſtly regarded as repulſive; and that the diſcuſſions which would probably be occaſioned by the unpopularity of my opinions, would, in the end, whatever might be the reſult of the inveſtigation, tend to the extenſion of the ſtudy of political economy amongſt us.

The objects which I had in view, have been accompliſhed in a much greater degree than there was any reaſon to expect, or even my wiſhes led me to hope.

I have had the ſatisfaction to know, that many of thoſe who ſaw approaching ruin in the ſucceſs of our Enemy's projects againſt our trade, have had their fears diſſipated by my ſtatements relative to the paramount importance of our internal reſources. And the inveſtigation which the ſubject has in conſequence undergone, can ſcarcely have failed to introduce a few of the readers of the controverſy, to an acquaintance with a branch of knowledge of whoſe exiſtence they were previouſly ignorant;

rant; and to place ſome of its principles on a firmer baſis.

As I originally promulgated my opinions merely becauſe I believed them to be true, without having the ſlighteſt intereſt to ſerve in maintaining them, I have felt no pain that they have been pronounced erroneous by the majority of thoſe by whom they have been publicly canvaſſed. I have read with as much unbiaſſed attention as I could give, the numerous criticiſms upon them which have appeared in ſuch of the periodical publications as I have acceſs to; and if they have failed to convince me of the fallacy of my doctrines, it has not been for want of due conſideration of the ſtatements of my opponents.

But, witneſſing in the whole of them, either a miſapprehenſion of my arguments; a miſtaken view of the concluſions which it was my object to enforce; or the uſe of reaſoning to me in nowiſe convincing, I was anxious to have an opportunity of making thoſe explanations and illuſtrations, the want of which, in conſequence of compreſſing into a pamphlet what ought properly to have been expanded into a volume, ſeemed to have given riſe to moſt of the objections I had ſeen. It would have been impoſſible, however, ſatisfactorily to have replied to arguments and criticiſm ſcattered over the pages of newspapers and reviews, and I wiſhed, therefore, that ſome opponent might think proper to beſtow upon me a commentary, which embodying the ſubſtance of the chief objections that have been advanced, would be worthy of a detailed reply.

Such a commentary has at length appeared in the pamphlet of Mr. Mill* to which I am now about to advert, and with which, after having peruſed and repe-

* "Commerce defended. An anſwer to the Arguments by which Mr. Spence, Mr. Cobbett, and others, have attempted to prove that Commerce is not a ſource of national wealth."

ruſed it with the deepeſt attention, I can with truth ſay that I have been conſiderably gratified. Mr. Mill is evidently more verſed in Political Economy than the majority of my periodical aſſailants; and recognizing in him the author of a review of my pamphlet which appeared in the *Eclectic Review*, I am not ſorry that my work has been ſubjected to the ordeal of the detailed examination of a political Economiſt, whoſe habits of criticiſm muſt have made him particularly keen-ſighted to the faults of other writers. It has given me not a little ſatisfaction that after ſuch a ſcrutiny, I can ſtill regard the main principles of my pamphlet as unſhaken, and its concluſions as immovable. Mr. Mill has pointed out ſome apparent inconſiſtencies; he has detected ſome ſlight errors, and he has employed ingenious, though I think inaccurate reaſoning, in oppoſition to the ſubordinate parts of my argument: but the main poſition of the work—that *Britain is independent of commerce*—he is ſo far from having overturned, that he has explicitly admitted its truth. The pleaſure of gaining ſuch a confirmation of the ſolidity of this doctrine, from an opponent, has fully counterbalanced any trifling pain I might be ſuppoſed to feel from the ſarcaſtic inuendoes (pardonable enough from a reviewer) which Mr. Mill has here and there thrown out; and the misſtatements of my arguments, and groſs misconception of my concluſions, which he, like many of his predeceſſors, has frequently fallen into.

Cloſe upon the heels of Mr. Mill's work, followed a review of my pamphlet in the 22d number of the Edinburgh Review. This Journal has not pretended to enter into a minute examination of its contents; but as its authority is deſervedly eſteemed on topics of this nature, and as ſome of its arguments are different from any of thoſe of my principal opponent, I ſhall advert to moſt of them in the following pages.—The explanations

and

and illuſtrations which will be called for, in replying to theſe two criticiſms, will, I believe, include an anſwer to moſt of the objections that have been thrown out againſt me.

BEFORE I proceed to the examination of the arguments advanced by Mr. Mill and the Edinburgh Reviewer, in oppoſition to the doctrines of my pamphlet relative to the ſources of national wealth, it will be neceſſary, at ſome length, to point out the egregious errors into which the former gentleman has fallen, with reſpect to the concluſions which I have intended to deduce from theſe premiſes: and this is the more neceſſary, that the ſame errors have pervaded the reaſoning of the greater part of my opponents.

Theſe errors are two. Firſt, the ſuppoſition, that becauſe I have aſſerted the truth of the grand axiom of the Economiſts, that all wealth is created by agriculture, I have been deſirous, or ought conſiſtently to have been deſirous, of an alteration of our preſent ſyſtem of induſtry, and of the ceſſation of much of our preſent attention to manufactures, by which I have contended that wealth is not created. Secondly, the ſuppoſition, that I have maintained in general, that wealth cannot be acquired by commerce, and that, on this account, and becauſe I have denied that Britain is enriched by her commerce, I have recommended a diminution of our commercial purſuits.

1. That the former of theſe ſuppoſitions has been held by Mr. Mill, will be proved by a reference to his work. He begins in the very outſet by aſſerting 'That the main 'object of my pamphlet, as I expreſsly ſtate, is to apply 'the doctrine of the *Economiſtes* to the preſent circum-'ſtances of this country.' (p. 4.) A little further on (p. 14.) he ſays, '*a bias to the errors of the agricultural ſyſtem* '*would*

'would not be leſs pernicious than a bias to the ſyſtem 'which it would ſupplant.' In the next page he obſerves, 'the landholders would deem themſelves but little in-'debted to thoſe gentlemen (Mr. Cobbett and myſelf) '*for the eſtabliſhment of their ſyſtem.*' And at page 57 he ſays, 'let us here intreat Mr. Spence to pauſe for a 'moment, and to reflect upon the practical leſſons 'which he is ſo eager to teach us. He would have us 'conduct our affairs on a plan which is not applicable 'to the preſent ſituation of the world, and *abandon* the 'courſe by which we have attained our actual pro-'ſperity.'

From theſe extracts, eſpecially when taken in connection with the general tenor of the context, it is clear that Mr. Mill has underſtood me, as blaming the exiſting attention to manufacturing induſtry in this country, and as recommending, in common with the Economiſts, an almoſt excluſive devotion to agriculture. But how a reader of my pamphlet, and particularly one who has read it with ſuch a lyncean eye as Mr. Mill's, could fall into ſuch a groſs blunder, is inconceivable. For reaſons which I ſhall ſhortly ſpecify, I thought it important to inſiſt upon the truth of the main tenet of the Economiſts, that the ſoil is the grand ſource of wealth; but ſo little practical uſe did I deem it neceſſary to make of this axiom, that I have ſpent many pages in ſhewing, that manufactures have been the great cauſe of our improved agriculture; and that it is by an attention to manufactures, that the European nations can alone effect a productive cultivation of their ſoil. Though I have denied that manufactures *create* wealth, I have attributed the greateſt value to them as tranſmuting and rendering permanent the wealth brought into exiſtence by agriculture, (p. 25.) and I have expreſsly ſtated, (p. 30.) that it would be impoſſible for a merely agricultural nation to accumulate wealth. Indeed, ſo far am I from regarding manufactures as uneſſential to national wealth, that (at

the

the riſk of being charged with inconſiſtency) I have ſtated as a concluſion from my reaſonings on agricultural and manufacturing induſtry, ‘ that agriculture and ‘ *manufactures* are the two chief wheels in the machine ‘ which creates national wealth, but that of theſe two, ‘ (at leaſt in ſtates conſtituted as thoſe of Europe are) ‘ it is the latter which communicates motion to the ‘ former’ (p. 31). How then can Mr. Mill, with a ſhadow of reaſon, charge me with having ‘ a bias to the errors ‘ of the agricultural ſyſtem’—with wiſhing ‘ for the ‘ eſtabliſhment of this ſyſtem’—or ‘ with being deſirous ‘ that we ſhould abandon the courſe by which we have ‘ attained our actual proſperity’? In fact, with reference to the admiſſions which I have repeatedly made of the value and neceſſity of manufactures, Mr. Mill might, with greater plauſibility, have charged me with making a diſtinction without a difference; with denying that manufactures create wealth, but virtually admitting that they do.

But Mr. Mill will inquire, probably, “ Why, ſince you “ place ſo little value in practice upon this diſtinction, “ inſiſt ſo ſtrongly upon its theoretical truth;”—I will endeavour to ſatisfy him. Two reaſons principally induced me to purſue this courſe.

In the firſt place, by inſiſting upon this diſtinction, I hoped to contribute in ſome degree to root out the falſe opinion ſo prevalent in this country, that Manufactures are a greater ſource of wealth than Agriculture, and that the former enrich us independently of the latter.—Mr. Mill will ſay, perhaps, that no ſuch abſurd notion as this, is commonly entertained: but if ſuch be his opinion, I would beg to refer him to the ſcores of pamphlets which in any degree touch on this queſtion, where he will almoſt conſtantly find our *Manufactures* dwelt upon as the main cauſe of our greatneſs;—I would refer him to the converſation of mercantile men, in the

eſtimation

eſtimation of nine-tenths of whom, the "grand ſtaple "of the country, the Woollen Manufacture," is of infinitely greater conſequence than all our agricultural induſtry;—and laſtly, I would refer him to the ſenate, to Mr. Pitt's ſpeeches there, in which "the induſtry of our manufactures, improved machinery, and increaſing manufacturing capital" were conſtantly ſingled out, as the pre-eminent cauſes of Britiſh grandeur. If he ſtill wiſhes for a more preciſe inſtance of the prevalence of this error in the higheſt quarters, let him look over the celebrated pamphlet of Mr. Roſe on the Revenue, and then ſay, whether ſtateſmen who do not think agriculture worth adverting to, in an inquiry of this nature, can be aware of its paramount importance. Now, although, therefore, in any remarks addreſſed to a people holding correct ſentiments on this ſubject, I might have deemed it ſuperfluous to have inſiſted upon the eſſential diſtinction which exiſts between agriculture and manufactures, in the creation of wealth, I conceived myſelf imperiouſly called upon to enforce this truth, on readers who I had cauſe to believe, were in general ignorant of it, or unimpreſſed with its importance.

Secondly, in an inquiry the profeſſed object of which was to hold out the conſoling poſition, that no diminution of the revenue either of the people or of government, need enſue from the loſs of commerce, it was highly neceſſary to dwell upon that view of the cauſes of national wealth, which, juſtly, in my opinion, derives all revenue from the ſoil. Upon this obvious concluſion from the ſyſtem of the Economiſts, I have not thought it needful to dilate in my pamphlet; yet I have repeatedly referred to it, and have deduced from it ſome of the moſt important doctrines there maintained. As Mr. Mill denies the truth of this poſition, I ſhall have occaſion hereafter to attend to a more detailed exami-

nation of it. It is sufficient at present to adduce it, as one of my chief reasons for insisting so strongly upon the grand axiom of the Economists.

I do not flatter myself that this statement will convince Mr. Mill of the propriety of contending for the truth of the Economists' doctrine, while I put no value upon it in practice. Mr. Mill, I am aware, will reply, as he has already reasoned in his pamphlet, 'If Mr. Spence 'admits absolutely the axiom of the Economists that 'land is the only source of wealth; then he *must* admit 'the whole of their system which is built upon this 'axiom with logical and unquestionable exactness; 'but which we have found to be utterly impracticable.' (p. 63.) But the justice of this position I entirely deny. There can exist no reason why I should embrace the conclusions of another, merely because I admit the truth of his premises. Mr. Mill says the conclusions of the Economists are logically deduced from their axiom. From this opinion I beg to dissent; and as I have already stated the reasons for this dissent, it is not necessary to repeat them here. But that Mr. Mill may not run away with the notion that I am singular in thus admitting the truth of the doctrine of the Economists, while I deny their application of it, he must allow me to direct his attention to an author who will be admitted to be of some authority on this point. If Mr. Mill will turn to the introductory part of the edition of Dr. Smith's "Wealth of Nations" by the French Political Economist Garnier, where the author compares the doctrine of Smith with that of the French Economists, he will find the following passage:—'The Economists saw that the 'original source of all wealth was the soil, and that the 'labour of its cultivation produced not only the means 'of subsisting the labourer, but also a net surplus, which 'went to the increase of the existing stock: while on 'the other hand, the labour applied to the productions 'of the earth, the labour of manufactures and commerce,

'can only add to the material, a value exactly equal 'to that expended during the execution of the work; 'by which means in the end, this ſpecies of labour 'operates no real change on the total ſum of national 'riches. They perceived that the landed proprietors 'are the firſt receivers of the whole wealth of the com-'munity; and that whatever is conſumed by thoſe who 'are not poſſeſſed of land, muſt come directly or indi-'rectly from the former; and hence that theſe receive 'wages from the proprietors, and that the circulation 'of national wealth is in fact, only a ſucceſſion of 'changes between these two claſſes of men, the pro-'prietors furniſhing their wealth, the non-proprietors 'giving as an equivalent, their labour and induſtry. 'They perceived that a tax, being a portion of the 'national wealth applied to public uſe, in every inſtance, 'however levied, bears finally upon the landed pro-'prietors, in as much as they are the diſtributers of that 'wealth—either by forcing them to retrench their 'luxuries, or loading them with additional expence; 'and that therefore, every tax which is not levied directly 'on the rude produce of the earth, falls in the end on 'the land proprietors.—*Theſe aſſertions are almoſt all 'inconteſtible, and capable of a rigorous demonſtration; 'and thoſe who have attempted to ſhew their falſity, have 'in general oppoſed them only with idle ſophiſtry.*'

Now we have here an author of undoubted eminence, admitting in the moſt explicit manner the indiſputable truth of the principles of the Economiſts; declaring that all thoſe who like Mr. Mill, have attempted to ſhew their falſity, have in general oppoſed them only with idle ſophiſtry; and yet ſo far from embracing the practical application which the Economiſts deduced from theſe principles, that he is a decided diſciple of Dr. Smith, whoſe ſyſtem of Political Economy conſidered in a practical view, he aſſerts to be much ſuperior. With a knowledge of this precedent, will Mr. Mill ſtill perſiſt

that I *muſt* adopt all the concluſions of the Economiſts, becauſe I contend for the truth of their premiſes?—If M. Garnier be not allowed of ſufficient authority in this caſe, what will Mr. Mill ſay, if I can prove that Dr. Smith has himſelf admitted the truth of the doctrine of the Economiſts, and that poſitively? In book 2. chap. 1. parag. 28. he has this paſſage: 'Lands, mines, and fiſh-'eries require all both a fixed and a circulating capital to 'cultivate them; and their produce replaces with a 'profit, not only thoſe capitals *but all the others in the 'ſociety.*' And a little further on he ſays, 'land 'even replaces, in part at leaſt, the capitals with which 'fiſheries and mines are cultivated.' Now if the produce of land, mines, and fiſheries, replaces with profit not only their own capitals, but all the others in ſociety; and if land partly replaces the capitals with which fiſheries and mines are cultivated, what is this but admitting in the moſt poſitive terms, that land is the ſole ſource of wealth? And yet Dr. Smith did not regard this admiſſion as inconſiſtent with a theory which has no reference to it.

Mr. Mill, therefore, is making an aſſertion unwarrantable in itſelf, and contradicted by the practice of the moſt eminent politial Economiſts, when he inſiſts that an author embracing the principles of the Economiſts, muſt alſo embrace their practical concluſions. And when he takes for granted, that I have recommended a ſyſtem founded on theſe concluſions, he falls into a moſt egregious error, which the ſlighteſt attention would have obviated, and againſt which I muſt expreſsly proteſt.

2. The ſecond grand error into which Mr. Mill has unaccountably fallen in his examination of my pamphlet, is his idea that it has been my object to prove that commerce is *never* a ſource of national wealth: and that becauſe I have maintained it is of ſlight importance to us, I have adviſed that we ſhould ceaſe our attention to commercial undertakings.—In proof that ſuch has been the opinion of Mr. Mill, I may firſt cite his title page.

His work, he ſays, is 'an anſwer to the arguments by 'which Mr. Spence and others have attempted to 'prove, that commerce is not a ſource of national wealth.' From this, any one muſt infer that I had unqualifiedly denied, the poſſibility of a nation's acquiring wealth from commerce. Then, in ſpeaking of the neceſſity for the attention of government to the delicate intereſts of commerce, he ſays (p. 3.) "But ſhould the legiſlature be-'come influenced by a theory *hoſtile* to commerce.' Evidently intending to inſinuate that my theory is thus hoſtile. Again, he obſerves, 'Here we perceive that 'all his reaſons againſt the *utility* of commerce, &c.' (page 46.) and, (page 55.) 'One might conclude, that 'it was rather a raſh doctrine to promulgate that com-'merce is of no *utility* to Great Britain.' And laſtly, to omit other ſimilar inſtances, he ſays (page 57.) 'He 'would have us believe that commerce is of no utility; 'he would have us conduct our affairs on a plan which is 'not applicable to the preſent ſituation of the world, 'and *abandon* the courſe by which we have attained 'our actual proſperity.'—It is difficult to determine what to ſay of all this. It is all groſs miſrepreſenta-tion; and miſrepreſentation ſo glaring, that I can-not conceal my aſtoniſhment, that a man of Mr. Mill's acuteneſs and apparent good faith, ſhould have coun-tenanced it. In the firſt place, I have never denied that commerce in general *may* be a ſource of wealth to particular nations. Though in the abſtract, no wealth is created by commerce, particular countries may *transfer* to themſelves, by its means, a greater ſhare of wealth than they would otherwiſe have poſſeſſed, and thus it certainly becomes a ſource of wealth to them. This I have repeatedly admitted; and have expreſsly allowed that Tyre, Venice, and Holland, did gain riches by trade. But not only have I granted that commerce in general, may be productive of wealth, I have fully conceded that were it not for the peculiar nature of *our* commerce, I

ſhould

ſhould admit that we added ten millions annually to our wealth by it.—In the ſecond place, where have I ſhewn any 'hoſtility' to commerce, or aſſerted that it was of no 'utility' to us? On the contrary, in the very commencement of my reaſoning on this ſubject, I have ſaid, 'There is no queſtion as to the *conveniences* ariſing 'from this commerce, and the reader will greatly err, 'if he ſuppoſe I am deſirous of proving that it would 'be better for the world if there were leſs of it than 'there is. On the contrary, there cannot be a warmer 'advocate than I am, for its reaſonable extenſion.' (p. 43.) Again, ſo far from recommending any alteration in our preſent ſyſtem, I have ſtated my conviction, 'that the character of the merchant is as honourable 'and as eſtimable as that of the farmer, and that in 'general honeſt obedience to ſelf-intereſt will moſt effectually promote the advantage of ſociety.' (p. 77.) And once more I obſerve, (pa. 78.) 'Nor let it be conceived, that the opinion is here maintained that a diminution of our commerce is deſirable. No one can 'be more deeply impreſſed than I am with the conviction of the value of commerce, as a mean of procuring a mutual interchange of conveniences between 'diſtant countries; none can more highly appreciate 'its vaſt importance, conſidered as an engine for communicating and extending civilization, virtue, and 'knowledge, over every part of the globe.'—Now, how, with theſe paſſages ſtaring him in the face, in a work from which he has culled with ſuch painful aſſiduity, every ſentence in the ſlighteſt degree apparently inconſiſtent with any other, Mr. Mill could pretend to charge me with being hoſtile to commerce—with declaring it of no utility— is truly marvellous. That the ſuperficial readers of my pamphlet ſhould fall into this miſtake, is ſurpriſing, but that Mr. Mill ſhould thus raiſe up a man of ſtraw to combat with, is unaccountable. Cannot Mr. Mill comprehend, that it is poſſible to admit

that

that an employment may be of utility, without allowing that it creates wealth? He will ſcarcely deny that our navy and army are of ſome uſe, yet *he* ſurely will not ſay they enrich us. So with reſpect to our commerce; though I deny that our eſſential wealth is augmented by it, I admit that our enjoyments are; and on this account, as well as with reference to its agency in promoting the happineſs of the world at large, I am no enemy to it. Nor, indeed, though I am inclined to believe that it would have been better for us in ſeveral reſpects, if we had not entered ſo deeply into the commercial ſyſtem, have I recommended even a partial abandonment of that ſyſtem. Well aware that no violent change can be effected, without great individual ſuffering, I have deprecated all voluntary diminution of our commerce. My aim was not to induce the abandonment of our commerce, but to hold up to my countrymen the conſoling truth, that *if, from any inevitable cauſe, we are deprived of it,* we ſhould neither be ruined, nor eventually have either our riches or proſperity diminiſhed.

In concluding this introductory part of my reply, in order that neither Mr. Mill nor any future aſſailant of my tenets, may give himſelf the unneceſſary trouble of refuting poſitions which I have never maintained, I will here briefly recapitulate the politico-economical creed, which it was the object of my pamphlet to eſtabliſh, and which I have as yet ſeen no reaſon to abjure. Believing, then, that wealth is ſolely *created* by agriculture, I ſet the higheſt value upon manufactures as being eſſential to tranſmute the wealth produced from the ſoil, into another ſhape, and to the accumulation of capital; as having been the great ſtimulus to the agricultural improvements of this country; and as being ſtill required progreſſively to forward theſe improvements. Carefully diſtinguiſhing between manufactures for home conſumption and thoſe for exportation, I contend that the latter are not neceſſary to ſtimulate agriculture; that the

wealth

wealth derived from our commerce is of ſlight value; and, conſequently, that though its continuance is on many accounts highly deſirable, we are independent of it, and if we loſe it, neither our proſperity, our power, nor our greatneſs, would be diminiſhed.

After having thus proved that much of Mr. Mill's work is employed in combating poſitions which I have never maintained, the reader will not be greatly ſurpriſed when I point out to him, that in fact there is no eſſential difference between our doctrines as to the grand ſources of national wealth; and that though we differ in ſome ſubordinate theoretical points, we are ſo nearly of the ſame opinion with regard to the concluſions deduced from them, that the difference is inſignificant in the extreme. That this is a true ſtatement, will be ſeen, when the following deduction from all the reaſoning employed by Mr. Mill has been read. 'Commerce then' ſays he (p. 115.) 'we may infer from 'all that has been ſaid, is a very good thing when it 'comes ſpontaneouſly, but a thing which may very 'eaſily be bought too dear. The two main ſprings of 'national wealth and proſperity, are the cultivation of 'the land, and manufactures for home employment and 'conſumption. Foreign commerce is a mere auxiliary 'to theſe two.'—So preciſely does this accord not only in ſubſtance, but in words, with what I have maintained, that I might almoſt charge Mr. Mill with copying my language. Thus (at p. 31.) I have obſerved, 'It will be 'obvious from what has been ſaid, that agriculture and 'manufactures are the two chief wheels in the machine 'which creates national wealth.' And again (p. 42.) 'Agriculture and manufactures for home conſumption, 'then, are the only branches of induſtry eſſential to the 'production and accumulation of national wealth.' And not only does Mr. Mill coincide with me as to the relative inſignificance of foreign commerce as a ſource of national wealth, he admits that 'to this hour the ſound

inquirer

'inquirer has moſt frequently occaſion for his efforts in 'expoſing the errors into which both governments and 'individuals fall by the remaining influence of the mer-'cantile theory:' that 'the firm hold which this doc-'trine yet maintains on the minds of men, forms the 'principal obſtacle to the diffuſion among mankind of 'juſter principles of political economy and of govern-'ment:' (p. 14.) that 'the importance of commerce is 'in general greatly over-rated;' (p. 106.) that 'when 'we hear people talk, as we too often hear them, and in 'places too high, of commerce as the cauſe of our na-'tional grandeur; when we find it appealed to as the 'meaſure of our proſperity; and our exports and our 'imports quoted as undeniable proofs that the country 'has flouriſhed under the draining of the moſt expen-'ſive war that ever nation waged on the face of the 'earth, we have reaſon to ſmile at the ignorance or the 'deceitfulneſs of the ſpeaker;' (p. 107.) that 'it is but 'too true that the greater number of perſons with whom 'we converſe, ſeem to imagine that commerce creates 'wealth by a ſort of witchcraft;' (p. 108.) and laſtly, that 'the fee ſimple of our whole export commerce is 'not worth the expence of the laſt fifteen years war, and 'that if it had been all ſacrificed to the laſt ſixpence, to 'ſave us from that expence, we ſhould have been gain-'ers by the bargain.' (p. 108.)

Agreeing, then, as Mr. Mill evidently does, with the main concluſions of my pamphlet, it may ſeem to ſome perſons a little ſingular, that he ſhould have thought it worth while to write an elaborate reply to it. An antagoniſt of my doctrines, worthy of the name, ſhould have entitled his anſwer 'Britain dependent on Com-'merce,' and ſhould have aimed to prove, that our riches, proſperity and power, are chiefly derived from our trade, and would expire with its annihilation. But an author ſo decidedly convinced of the falſity of the mercantile ſyſtem, and of the inferiority of commerce when com-

pared

pared with agriculture, would, one might have thought, have ſeen little call to controvert the arguments of a work in whoſe concluſions he ſo nearly acquieſced. The fact ſeems to be, that Mr. Mill had predetermined to write an anſwer to the work in queſtion before he had read it. Delighted in the beginning with the eaſy victory which he had promiſed himſelf over an Economiſt; he was diſappointed at finding in the ſequel, that the opinions of this ſect were modified ſo as nearly to approach his own: but reſolved at all events to write a reply, he had no other reſource than to overlook the actual ſyſtem recommended, and to combat an imaginary advocate for the deſtruction of manufactures and the abandonment of commerce.—That Mr. Mill has thus perverted my opinions, and miſtated the concluſions which alone I have repeatedly ſaid it was my object to enforce, I am not, as I have before obſerved, ſorry. He has given me an opportunity which I have wiſhed for, of pointing out the abſurdity of ſuch views of my doctrine; and of explaining and ſupporting reaſoning, which others as well as himſelf, have ſtrangely miſconceived.

HAVING thus pointed out the errors into which Mr. Mill has fallen with reſpect to the deſign of the pamphlet he has replied to, and his near accordance with its concluſions, I proceed to conſider the reaſoning employed by him to invalidate the arguments by which theſe concluſions are ſupported.—When the difference between two diſputants regards rather the proceſs of argumentation from which certain deductions are inferred, than the deductions themſelves, their controverſy may ſeem ſomewhat unimportant. But truth is always of value; and ſome light can ſcarcely fail to be thrown on the ſcience which both Mr. Mill and I profeſs to hold in ſuch high eſtimation, by our diſcuſſion of the merits of our different theories.—It will be convenient to purſue

nearly the courſe which Mr. Mill has ſtruck out, and I ſhall therefore firſt advert to his obſervations on my ſtatements relative to

The inſtability and inſecurity of Britiſh Commerce.

Mr. Mill terms the view which I have taken of the exiſting and probable diminution of our commerce, a mere bugbear. Let us examine into his grounds for this aſſertion.

He ſays, 'Let us only contemplate for one moment 'the vaſt extent of the habitable globe, and conſider 'how ſmall in compariſon is that portion of coaſt over 'which the ſway of Bonaparte extends, and we ſhall 'probably conclude with conſiderable confidence, that 'in the wide world channels will be found for all the 'commerce, to which this little iſland can adminiſter. 'Let us look firſt at the United States of America. To 'theſe we have for years ſent more goods of Britiſh 'manufacture than to the whole continent of Europe. 'The vaſt commerce of the Weſt India iſlands next 'comes naturally in view.' (p. 8.) He then goes on to inſtance Portugueſe and Spaniſh America, the coaſt of Africa, the Cape of Good Hope, and the vaſt ſhores of the Indian ocean, as 'affording ſcope for boundleſs 'commerce though the whole continent of Europe were 'ſwallowed up by an earthquake.'

In reply to this, I muſt obſerve, firſt, that it is very curious that Mr. Mill ſhould inſtance among the great channels of our commerce, one which I had enumerated in the liſt of thoſe from which we were threatened with excluſion. He muſt have known, that at the time he wrote his pamphlet, the United States of America, ſo far from being a commercial channel which we could regard as permanently open to us, was one to which we could only reckon on a temporary acceſs during the ſuſpenſion of the *non-importation act*; and ſcarcely had he laid down his pen, when the *Embargo* act moſt decidedly

cidedly proved the juſtice of my views on this ſubject, and the fallacy of his, by excluding us from this moſt important of our commercial markets.—In the next place, where are we to look for the ſtability of ‘ our vaſt com-‘ merce of the Weſt India iſlands?’ Is Mr. Mill not aware, that the vaſtneſs of this commerce is the effect of diſeaſe only; and that our imports from, and exports to the Weſt Indies, *muſt* very ſhortly be reduced at leaſt one-third, to prevent the utter ruin of all engaged in this trade?—What, again, has the ‘immenſe extent’ of South America to do with the reparation of our loſs of European commerce? As if extent of country were the meaſure of commercial intercourſe. Is Mr. Mill ignorant that we have long ſupplied the bulk of the manufactures conſumed there;—that ſo abundantly has the market been ſtocked, that Britiſh manufactures have often been ſold cheaper in Lima and Rio Janeiro than in London? What conſolation, then, can we draw from the ſubſtitution of the ‘ growing demand’ of a few hundred thouſand Spaniſh and Portugueſe South Americans, in lieu of the millions we have formerly ſupplied in Europe? Mr. Mill has accuſed me, I think without reaſon, of arguing unphiloſophically, in bringing the inſtability of Britiſh commerce at all into view; but he is ſurely much more unphiloſophical, when he attempts to puzzle the minds of his readers by the aſſociations of language, and would have them believe that becauſe the ‘ world ‘ is wide,’ it can eaſily abſorb the commerce of ‘ this ‘ little iſland.’ What have little and great to do in the matter? What commerce requires, is not extent of ſoil, but an abundant population, and a population moreover which has need of what the merchant can ſupply, and ſomething that he wants, to give in return.—To talk of the coaſt of Africa and the Cape of Good Hope opening a field of boundleſs extent for the employment of Britiſh capital, is completely to ſhift the queſtion. No one will deny that in *time* theſe countries *may* afford commercial channels of extent greater even than thoſe of Europe or

North America. But the queſtion is, can they *now* ſupply the loſs of the latter? If not, and if commerce were the ſource of our riches, we might be ruined a century before the exchange could be effected: and thus the inſecurity and inſtability of our commerce would be abundantly proved.—It is not leſs ſurpriſing that Mr. Mill ſhould adduce the ſhores of the Indian ocean as affording room for any great extenſion of our commercial intercourſe. Is he to be told, that though the countries bounded by this ocean, have plenty to ſell, there is ſcarcely one of our manufactures which they will buy at a profitable price; and that the precious metals are almoſt the ſole articles which can be exported thither with profit? The Eaſt-India Company have been endeavouring for theſe 40 years to diſcover which of our manufactures could be ſent to India with profit, but without ſucceſs. In 1792 they publiſhed ſtatements from which it appeared, that of the woollens, iron and copper, which they had perſiſted to ſend, little of either could be ſold, and that little almoſt invariably at loſs. What opening, then, do the 'vaſt 'ſhores of the Indian ocean' preſent to our manufactures? Would Mr. Mill have us ſend earthen ware to the Chineſe; or manufactured cottons and muſlins to the Hindoos; or what? The fact is, that it is impoſſible to calculate upon a commerce with the Eaſt Indies much greater than we already enjoy. No beneficial trade can be carried on between countries which have not mutual wants. But the wages of labour in India are ſo much lower than in Europe, in conſequence of their habit of living almoſt entirely upon Rice, that in ſpite of all our machinery and capital, they can underſell us in every one of our ſtaple manufactures.

After advancing the arguments in favour of the ſtability of our commerce, which we have juſt examined, Mr. Mill goes on to ſay, 'That in regard to Europe itſelf it 'is only to the ſuperficial eye that the power of Bona-'parte over our commerce can appear important. Not 'to mention the probability that the Baltic, the chan-

nel

'nel by which a great part of our commerce has for a 'number of years found its way into Europe, will not long 'be ſhut againſt us; the very notion of guarding the whole 'extent of European coaſt from the mouth of the Elbe 'to the Gulph of Venice, muſt appear ridiculous to all 'men of information and reflection.' (p. 10.) This argument he ſupports, by alluding to the facility with which ſmuggling is carried on, upon our own coaſt; and he contends that the intereſt which the people of the Continent feel in obtaining Britiſh manufactures, will enable us to elude the reſtrictive policy of Bonaparte. Without enquiring on what data Mr. Mill grounds his opinion that the Baltic will not be long ſhut againſt us, it is a ſufficient anſwer to this mode of reaſoning, to appeal to facts. We know that the Continent is ſeverely diſtreſſed for want of many commodities uſually obtained from Britain. Colonial produce, in particular, is at leaſt 100 per. cent. dearer than here. Yet are ſugar and coffee ſmuggled into France and Holland in any quantity? If Mr. Mill refer to the Gazette price of ſugar, he will find that even 100 per. cent. is not ſufficient to cover the riſk of attempting to contravene the prohibitory decrees of our enemy. If this were ſo eaſy, ſurely by this time the demand for ſugar from the Continent, would have ſomewhat raiſed its price here. But no ſuch riſe has taken place.*—Again, let Mr. Mill aſk the complaining manufacturers of Leeds, of Manchester, and of Birmingham, if Bonaparte's decrees have been of no effect; and if the facility of ſmuggling, compenſates for their former allowed acceſs to the Continent? Their piled warehouſes and unemployed hands, will woefully contradict his theoretic dreams reſpecting the inefficacy of Bonaparte's

* The late temporary advance of 3s. or 4s. per cwt. has been merely in conſequence of a proſpect of having the uſe of ſugar permitted in the diſtilleries.

prohibitions.

prohibitions. The truth is, all ſuch reaſoning has reference to a ſtate of things now no longer in exiſtence. While the powers of Europe were independent of each other, all excluding decrees muſt have been nugatory. But now that it is wholly ſubject to one man, and that man Bonaparte, there is no difficulty in rendering his reſtrictions effective. Smuggling will in a ſlight degree be ſtill carried on in articles of little bulk, and aſſuredly the hopes of thoſe ſage politicians who talk of bringing our enemies to reaſon by depriving them of Peruvian Bark, will be fruſtrated; but it will be impoſſible to carry on any extenſive contraband traffic in ſuch bulky articles as ſugar, coffee, cottons, and woollens.

I have thus ſhewn the futility of the ſpeculations by which Mr. Mill has endeavoured to invalidate my reaſoning relative to the inſtability of Britiſh commerce.—There yet remains one view of the ſubject to which he has not at all adverted, though it occupies ſeveral pages of my pamphlet (p. 79-87.)—the probability of a future diminution of our commerce, in conſequence of the high rate of wages in this country, and the future competition of foreigners. Becauſe our trade has increaſed for the laſt 20 years, we fancy that it muſt continue to increaſe: but in this we ſhall probably find ourſelves miſtaken. The conſtant ſcenes of warfare which the Continent has exhibited ſince the French revolution, have deſtroyed its manufactures, and given us the monopoly nearly, both of its market, and the American market. But now that the aſcendancy of Bonaparte promiſes to the manufacturers of the reſt of Europe, the continuance of tranquillity for many years to come, we cannot doubt that they will ſpeedily regain their former eminence: and if we compare the price of labour among them, with its price in this country, we ſhall ſee grounds for believing, that their rivalſhip will before long, materially diminiſh our trade. It is a vulgar error to imagine that we can

manufacture

manufacture the principal articles of our export, ſo much cheaper than the continental manufacturers can. When Mr. Adams was in Sileſia in 1800, he tells us that at that time, in the town of Grünberg, 25,000 pieces of broad cloth were annually made, the fineſt equal to Engliſh broad cloth, and 50 per cent. cheaper; and that they were accuſtomed to ſend cloth to Poland, Ruſſia, Hamburg, and Berlin.* If, then, the Sileſians could in 1800, ſell broad cloth 50 per. cent. cheaper than we could; when the preſent tranquil ſtate of the Continent, and the monopoly of that market which Bonaparte has now conferred upon them, ſhall have reinſtated their manufactures in their former proſperity, what ſhould hinder them in a very few years, from attracting a large portion of the demand of America for woollens? So with reſpect to the other main articles of our export: The manufacturers of the Continent can obtain the raw materials of hardware, cotton, leather, pottery, as cheap as we: they can and do adopt all our improved machinery: they will ſoon acquire capital; and they will not have to pay above half the wages of labour that we pay. It ſeems impoſſible, then, but that the Continent in the laſpe of no protracted period, will become a very formidable rival to us, in many of our moſt important branches of trade. And this will take place whether we are to continue at war, or make peace. It is an inevitable conſequence of our high and increaſing wages of labour, and of the ceſſation of the cauſes, which have hitherto given us a monopoly of manufacturing induſtry. Our commerce, therefore, excluſive of the effect which the preſent unparalleled ſtate of affairs may have upon it, is, from other cauſes, highly unſtable and inſecure; and there is much probability that it would be greatly diminiſhed, in the courſe of a few years, even though we ſhould have peace to-morrow.

---

* Travels in Sileſia, page 18.

The

The foregoing reaſoning on this ſubject, I am able to confirm by the authority of a political Economiſt, whoſe labours have deſervedly gained him a high reputation. In the chapter of Mr. Malthus's Eſſay on Population, where he has ſo juſtly diſcuſſed the different effects of the agricultural and commercial ſyſtems, is the following paſſage. 'If we go on as we have done lately, the 'price of labour and of proviſion muſt ſoon increaſe 'in a manner out of all proportion to their price in the 'reſt of Europe; and it is impoſſible that this ſhould not 'ultimately check all our dealings with foreign powers, 'and give a fatal blow to our commerce and manufac-'tures. The effect of capital, ſkill, machinery, and 'eſtabliſhments in their full vigour, is great; ſo great 'indeed, that it is difficult to gueſs at this limit: but 'ſtill it is not infinite, and without doubt has this limit. 'The principal ſtates of Europe, except this fortunate 'Iſland, have of late ſuffered ſo much by the actual 'preſence of war, that their commerce and manufac-'tures have been nearly deſtroyed, and we may be ſaid 'in a manner to have the monopoly of the trade of 'Europe. All monopolies yield high profits, and at 'preſent, therefore, the trade can be carried on to ad-'vantage, in ſpite of the high price of labour. But 'when the other nations of Europe ſhall have had time 'to recover themſelves, and gradually to become our 'competitors, it would be raſh to affirm that, with the 'prices of proviſion and of labour ſtill going on increaſing 'from what they are at preſent, we ſhall be able to ſtand 'the competition.'*

The Edinburgh Reviewer too, however he may differ with me on other points, is preciſely of the ſame opinion on this. After ſtating it as his opinion that commerce contains within itſelf the ſeeds of its own decay, in conſequence of circumſtances which occaſion

* 4to ed. page 444.

a great

a great riſe of prices in thoſe countries where it has greatly flouriſhed, he continues, ‘ And though, owing ‘ to the peculiar advantages we have enjoyed, this ‘ cauſe has not yet affected our commerce, yet we think ‘ that, proceeding in the ſame courſe, it muſt do ſo ulti- ‘ mately.’ *

Definition of the terms Wealth and Proſperity.

Mr. Mill has devoted a chapter to a criticiſm on the explanation which I have given of the above terms; and, after expreſſing his diſſatisfaction with my definitions, he has preſented us with one, intended to be better, of his own. Let us enquire into the ſolidity of his objections, and the validity of his pretenſions to ſuperior accuracy.

Firſt, he complains that the term Capital is not defined. But after the laboured definition of this term by Dr. Smith and other Political Economiſts, there ſeemed little call for loading the pages of a pamphlet with any thing further on the ſubject.—Next, Mr. Mill will have it, that uncultivated land which may be rendered productive, is wealth as well as that which is productive. I do not think ſo. For by this rule, Ruſſia, with its millions of acres, is a more wealthy country than Britain. —Thirdly, he contends that the laſt clauſe of the definition, ‘ Thoſe things which men uſually eſteem valuable,’ includes the other two clauſes. Here I allow that his criticiſm is juſt, and I was aware, without his information, that the definition would have been more correct, if the the two firſt clauſes had been wholly omitted. He will aſk, then, ‘ Why ſuffer it to remain redundant?’ For this reaſon: Intending my arguments for the public, not for a few philoſophers, I ſaw that a definition, merely

---

* Edinburgh Rev. No. 22. page 447.

ſtating wealth to be every thing valuable to man, would be too metaphyſical for general comprehenſion. I thought fit therefore, to aim at being generally intelligible, though at the expence of ſtrict accuracy.—But Mr. Mill is not ſatisfied even with the curtailed definition. Air and light, he ſays, are valuable to man, and yet are not wealth. This is one of thoſe carping hypercriticiſms which may be made upon almoſt every thing in the ſhape of a definition; and if ſuch objections had been worth attending to, we muſt have been to this moment without an attempt at ſeparating the animal, vegetable, and mineral kingdoms. Where a ſtrictly accurate definition cannot be had, we muſt content ourſelves with an approximation to accuracy. We ſhall ſee ſhortly, how much better Mr. Mill has ſucceeded in his attempt at correctneſs.

Mr. Mill's next objection is to the uſe of the term *abundance* in the definition: but if he would have exerciſed a ſmall ſhare of candour, he might have ſpared this flaw. By the context it appears that he evidently underſtands me to be ſpeaking of *national* wealth, not wealth in the abſtract; and though in the haſte of compoſition, I have omitted the term national, he muſt have ſeen from the ſucceeding illuſtration, that in this definition I had national wealth in view. It would be abſurd to ſay that wealth in the abſtract, conſiſts in abundance of things valuable to man; but it is equally clear that national wealth (and this was obviouſly my meaning) does conſiſt in ſuch abundance. The difference between a rich and a poor nation is juſt, that the former poſſeſſes *abundance* of what the latter poſſeſſes little.

Mr. Mill has found it tedious to enter into 'a minute 'analyſis of my definition of proſperity,' ſo that I am ſpared the trouble of following him in his objections on this head. I muſt, however, beg leave utterly to deny his aſſertion 'that of the three clauſes of which the 'deſcription conſiſts, the laſt two are included in the 'firſt; as it is in the nation which is progreſſively ad-

'vancing

'vancing in wealth; where the checks to population are 'few, and where employment and ſubſiſtence are moſt 'readily found for all claſſes of the inhabitants.' (p. 22.) On the contrary, I contend that a nation may be progreſſively advancing in wealth, where the checks to population, and the difficulty of procuring ſubſiſtence, are increaſing daily. It would lead me into a field much too wide for this place, to ſtate at large, the reaſons for this opinion; but Mr. Mill and the reader will find them expreſſed, better than I could expreſs them, in the chapter of Mr. Malthus's Eſſay on Population, intitled, "*Of increaſing Wealth as it affects the Condition of the Poor.*" He will there ſee it clearly proved, that if a nation devote the whole of its accumulating capital, to manufactures, and none of it to agriculture, its proſperity may be dreadfully decreaſing, at the ſame time that its wealth is rapidly augmenting.

Laſtly, Mr. Mill having ſeen, as he ſays, how little uſeful is my definition of wealth, favours us with one of his own. Here we may ſurely look for extraordinary accuracy. What, then, is this unaſſailable definition? Wealth, according to him, denotes thoſe objects which have a value in exchange. The vagueneſs of the third clauſe of my definition is here wonderfully obviated. But let us apply Mr. Mill's touchſtone to this ſterling ore. Water, we all know, is purchaſed by moſt families in London. It has therefore a value in exchange; it is wealth. But a few families are furniſhed with pumps: their water coſts them nothing. *It* is therefore *not* wealth. Thus according to Mr. Mill's definition, an object is wealth at one door, and it is not wealth at the next! How much are the riches of thoſe towns to be envied, where the water being conveyed in pipes to their houſes, has a value in exchange! And how grievous is the lot of thoſe poor cities, where every houſe being provided with a pump, the inhabitants obtain this fluid without expence! It is fair to try Mr. Mill's definition by his own teſt, and when thus tried, it is found not

a whit more accurate than that which it was intended to ſupercede. The fact is, that perhaps it is impoſſible to frame a definition of wealth that ſhall not be liable to ſome exceptions. Of the two—Mr. Mill's and my own—I naturally prefer the latter; and if ſcrutinized, I do not believe it is liable to objections ſo ſerious as his. It is not perhaps incorrect, to call pure air and good water, portions of national wealth; but if a nation be rich in proportion as it poſſeſſes articles of value in exchange, it follows that a drought, which makes every drop of water in one of the Weſt India Iſlands of great exchangeable value, is a mean of increaſing its wealth: which is pretty nearly nonſenſe.

Of Land, as the ſole ſource of Revenue.

Mr. Mill has admitted the vaſt ſuperiority of agriculture as a ſource of revenue, over every other branch of induſtry; and in this admiſſion he is followed by the Edinburgh Reviewer. But both theſe authors contend that agriculture is far from being the ſole ſource of revenue. Manufactures, they aſſert, are entitled to claim a high rank in this reſpect. Their reaſons for this opinion are not detailed ſo fully as to admit of a cloſe examination, without a previous ſtatement of the arguments which induce me to maintain a contrary poſition. In the preſent ſection, therefore, I ſhall, in the firſt place, endeavour to explain that view of the ſubject which I am led to entertain—or, in other words, to ſhew that the revenue of every member of ſociety in this country, is derived from the ſoil; and in the next place, I ſhall advert to the arguments by which my opponents maintain a contrary opinion.*

---

* In the following inquiry I purpoſely leave foreign commerce entirely out of conſideration. This is neceſſary for the ſake of diſtinctneſs. It will be hereafter ſeen what value I attribute to this branch of induſtry as a ſource of revenue.

But

But before proceeding to this explanation, it is neceſſary to inſiſt upon two poſitions, which, however obvious and incontrovertible, ſeem to be left out of view by moſt of thoſe who ſpeculate on this ſubject.

Firſt, That of all the wants of man, food is the moſt indiſpenſable; and that, when provided with this, and the neceſſary raw materials, he is able to ſupply all his other wants with facility. Thus, provide me with a million quarters of wheat, and the raw materials required, and I can without difficulty build a fleet of ſhips, a bridge, a palace—or manufacture woollens, linens, or whatever luxury I am deſirous of poſſeſſing. The poſſeſſion of the requiſite quantity of food, will give me the command of all the labour I require; and whether I need tools or machines for effecting my object, this food will enable me to fabricate them. But on the other hand, without food, no ſhips, or bridges, or palaces, could be built—no woollens, or linens, manufactured. Though furniſhed with axes, and hammers, and trowels—with looms, and manufactories in profuſion, it would be in vain to collect the neceſſary labourers, if food were wanting; and we ſhould find no poſſibility of converting theſe implements into food. There is no difficulty in converting 100 quarters of wheat, by the intervention of the labour of man, into a ſteam-engine; but no labour can tranſmute a ſteam-engine back again, into 100 quarters of wheat.—Thus, then, there is an eſſential and important difference, between wealth derived from the ſoil, and manufactured wealth.

Secondly, That where food in ſufficient abundance is produced, the principle of population will readily ſupply labourers in adequate proportion; and that the operation of this principle, effectually gives to thoſe who have poſſeſſion of the food of any country, an abſolute command over the labour of thoſe who are not ſo poſſeſſed, at a rate which never exceeds what is barely ſufficient to ſupply the latter with the neceſſaries of life.

Let

Let us now inquire from what ſource the revenue of the different claſſes of ſociety in this country, is derived: and to avoid the intricacy induced by the intervention of a circulating medium, let us revert to a ſuppoſition which we have before found uſeful, and conſider what would take place in this reſpect, if all tranſactions were carried on by barter. On ſuch a ſuppoſition, it is undeniable, that the revenue of the claſs of land proprietors, and of farmers, would be wholly derived from the ſoil; and we muſt obſerve, too, that this revenue is a perfect new creation. The farmer brings into exiſtence food for himſelf, and at the ſame time food for five or ſix other human beings. The queſtion is, whether the other claſſes of ſociety, the manufacturing and unproductive claſſes, can be ſaid in this manner to create their revenue, and whether it is not merely transferred to them from the agricultural claſſes. Now as food is the principal want of the great bulk of ſociety, it cannot require any words to prove, that this portion of the revenue of the manufacturing and unproductive claſſes, muſt neceſſarily be drawn from the ſoil, and conſequently come from the agricultural claſſes, who transfer it to them in exchange for manufactured articles and ſervices of various kinds. It is equally clear, that the raw materials employed in different manufactures, muſt come from the ſoil, and, therefore, be transferred from the agricultural claſſes. There can be no diſpute, then, that by far the largeſt portion of the revenue of every member in ſociety, muſt be derived from the ſoil. Controverſy can exiſt only, with reſpect to that ſmall part of the revenue of the manufacturing and unproductive claſſes, conſiſting of the difference in value between manufactured articles in their manufactured and raw ſtate. Now, to me it appears a reaſon quite ſufficient to induce us to regard this portion of their revenue as a transfer, merely, that in converting this raw into manufactured produce, food, which has been derived from the ſoil, has been conſumed; and

that

that the additional value conferred, is only equal to that of the food expended.

An illuſtrative example will make this reaſoning more clear. Suppoſe a land-owner to cultivate his own property, and that after every expence is paid, there remains a net ſurplus of 1000 quarters of wheat, beſides wool, &c. This is his revenue, and is ſurely derived from the ſoil. 120 quarters of this wheat, and the raw materials, he appropriates to the manufacturing of woollens for his family; in fabricating which, ten men have been employed a year, each receiving 10 quarters of grain for his labour. This, then, is their revenue, and is certainly derived from the ſoil. But 4 quarters are as much as each family requires for food: 1 quarter is paid by each for the rent of a cottage to a neighbouring houſe proprietor, who thus derives a revenue of 10 quarters of grain from his cottages; which is ſtill, however, drawn fiom the ſoil. Another quarter is paid by each to the clothier and taylor for manufacturing and making his cloaths; who thus in turn derive a revenue from this expenditure, which is ſtill drawn from the ſoil. A third quarter is paid to the phyſician, whoſe revenue conſiſts of portions of revenue originally drawn from the ſoil, transferred to him from his patients. The remaining 3 quarters are exchanged for various other articles, and thus form a portion of the revenue of other manufacturers, &c. In the ſame way, the maſter manufacturer who furniſhed theſe ten woollen manufacturers with their looms, until the completion of their work, might receive a profit of 20 quarters of wheat as the intereſt of his capital. An accumulation of ſimilar profits forms his revenue, which however we muſt regard as derived from the ſoil. It would be endleſs to trace the ramifications into which this original creation of revenue from the ſoil would naturally ſpread itſelf. The reader will readily perceive, that by extending the illuſtration, it might be clearly ſhewn, that this revenue of 1000 quarters of wheat,

might

might become the ſole revenue of ſeveral hundreds, and contribute to that of ſeveral thouſands of individuals, none of whom, however, could with any propriety be conſidered as creating their revenue.

The arguments by which Mr. Mill has indirectly endeavoured to diſprove the poſitions juſt laid down, will be adverted to in the ſequel; but as the Edinburgh Reviewer has more directly oppoſed the reaſoning intended to ſupport them, I ſhall here attend to his ſtatements. He ſays, that 'he agrees entirely with Dr. 'Smith, that the real revenue of the whole ſociety is to 'be eſtimated, not only by all the food that is conſumed, 'but alſo by all the manufactures and commodities of all 'kinds, which are produced during that conſumption, 'or what amounts to nearly the ſame thing, by the value 'of all that each individual conſumes, which evidently 'conſiſts not only in a certain portion of food, but in a 'certain quantity of manufactures and other com-'modities in addition to it.' (p. 431.) Now, this argument appears to me to involve as groſs a fallacy, as if the Reviewer were to contend, that the income of an individual, ought to be eſtimated, firſt, by the amount of what he ſpends, and then, by the amount of what he buys;—as if he were to ſay, that a man who ſpends £. 1000 a year, is worth £. 2000 a year, while he that poſſeſſes £. 1000 a year without ſpending it, is but half as rich as the former. The Reviewer will allow, becauſe Dr. Smith has allowed it before him, that the great home trade of any country, conſiſts in the exchange of food and raw produce, for manufactured produce, and he will ſcarcely diſpute, that in a country producing its own food, the value of its annual produce of food and raw produce, muſt be greater than that of manufactured produce. Does the Reviewer, then, mean to ſay, that the ſurplus raw produce and food of the cultivator, and the manufactures for which he exchanges theſe, *both* conſtitute his revenue? If ſo, he is guilty of the abſurdity which

which has been juſt alluded to, in regarding the expenditure of a revenue as doubling it. But perhaps he means to ſay, that the ſurplus raw produce and food of the cultivators, conſtitute their revenue, and the manufactured produce, the revenue of the claſs of manufacturers; and that both together conſtitute the revenue of the ſociety, which is neither greater nor leſs for the exchanges made between the two. But on this ſuppoſition, which is the only remaining one I can ſee room for, the error is as great as before. The Reviewer forgets that the revenue of the cultivators is derived from the bounty of nature—it is a new creation which has nothing to replace; whereas the revenue of the claſs of manufacturers (ſuppoſing it to conſiſt of manufactures) has been produced by the extinction of another revenue, and the greater part, if not the whole of it, is mortgaged for the purpoſe of replacing the revenue which has been expended in producing it. The Reviewer has clearly here been miſled by that conſtant ſource of error in politico-economical ſpeculations—the employment of a circulating medium. Becauſe by the accumulation of capital, and the uſe of money, the manufacturer can command all the raw materials and food he is in want of, and poſtpone his ſales to a diſtant period, the Reviewer has been deluded with the notion of his creating a revenue. But if the preſent ſyſtem of ſociety were to exiſt without the intervention of money, and the land owners were to advance to the manufacturers raw produce and food, and in return to receive manufactured produce, ſurely the Reviewer would not contend that in that caſe any revenue could be ſaid to be created by manufactures.

Let us aſſay this mode of reaſoning by an example. A land owner at the end of harveſt, when all the expences of cultivation have been paid, has a ſurplus of 200 quarters of corn. This is his revenue for the enſuing year. He wiſhes to appropriate half of this, to the

building of a new houſe: he therefore engages 10 men, who, on being ſupplied with 10 quarters of corn each, and the neceſſary tools, engage in the next twelve months to complete this building; procuring the requiſite ſtone and timber from their employer's quarries and woods. Now, could theſe 100 quarters of corn, and this new houſe, be *both* regarded as the revenue of this land owner? Surely not. He has *ſpent* his revenue in the erection of a houſe. But what conſtitutes the revenue of the 10 labourers who have built it? The houſe? Impoſſible. They could at no inſtant claim a right to a grain of the ſtone, or a chip of the wood conſumed upon it. What then? Why indiſputably, according to my conception, the 100 quarters of corn which were *transferred* to them by the land owner. Theſe alone, which they had no ſhare in creating, could be regarded as their revenue; and this revenue is that alone which, in this tranſaction, could be ſaid ever to have any exiſtence.—There is not a ſingle caſe of manufactures to which this example may not be applied; and in all, as in the preſent inſtance, if ſifted to the bottom, it will be ſeen, that manufactures are *objects* upon which revenue is ſpent, not revenue. If man could live upon air, and pick wool and cotton from every hedge without charge, he might then be ſaid to create a revenue by manufacturing induſtry; but ſo long as he muſt eat food, and ſo long as the prolific power of nature neceſſarily limits the price of his labour to a quantity of food barely ſufficient to ſupply the neceſſaries of exiſtence, manufactures can never with juſtice be regarded as a ſource of revenue.

But the Reviewer has another objection on this head which deſerves ſome attention. A few pages further on, he obſerves, "It is very far from being true that the 'manufacturer derives the whole of his revenue from 'the land proprietors. He derives indeed his food, and 'whatever raw materials he may want of home growth,

'which we are moſt perfectly ready to acknowledge, are 'the moſt important becauſe the moſt neceſſary part of 'his revenue: but for his cloaths, his houſes, his fur-'niture, and numberleſs other articles of comfort and 'convenience, which unqueſtionably form a part of the 'revenue he conſumes, and often the largeſt part, he is 'indebted to other manufacturers. Each manufacturer 'and artificer becomes a conſumer and artificer to his 'brother manufacturers and artificers in different lines; 'and if hiſtory tells true, the ſtates of Holland and 'Venice, particularly the latter, at the period of their 'greateſt proſperity, experienced all the enriching effects 'that can ariſe from a great conſumption, without the 'aid of many land proprietors.' (p. 435.) In reply to this, it may be remarked, in the firſt place, that if we fully admitted the Reviewer's poſition, the revenue derived from manufactures would be extremely trifling; for we know that nine tenths of the revenue of nine tenths of ſociety, is compoſed of food and the raw produce of the manufactures they conſume. When we have enumerated 'food and cloathing,' we have little more to ſtate as the revenue of the bulk of mankind. 'Houſes' ſerve the purpoſe of generations; and 'furniture' for years; and therefore can with no propriety be called revenue.—But there is no need to admit the accuracy of the Reviewer's ſtatement. The obſervations before made, render it obvious that he has again fallen into the miſtake of conſidering men as ætherial beings, who can live without food. How can manufacturers and artificers, exchange their manufactured produce with their brother manufacturers, unleſs they had derived from ſomewhere, a revenue to ſubſiſt upon during its fabrication? This transferred revenue they have ſpent in producing articles, which, therefore, have no claim to be regarded as a ſecond revenue.—But it is needleſs to repeat the arguments which have juſt been uſed. I would merely obſerve with reſpect to Venice and Holland, that theſe ſtates ac-

buired riches and the power of conſuming, by their carrying trade and the monopoly profits which the then infant ſtate of commerce afforded them: and the latter, beſides, derived an immenſe revenue from its extenſive fiſhery, which, in calling the ſoil the ſole ſource of revenue, I by no means intend to exclude.

One main cauſe of the errors of the Reviewer now pointed out, and of thoſe of Mr. Mill which will hereafter be adverted to, is their confounding the very diſtinct ideas of creation and accumulation. That a nation which accumulates the manufactures into which it has tranſmuted its food, will be richer than one which conſumes its food without ſuch a tranſmutation, is as clear as that the man who ſpends his income in buildings, paintings, &c. will be richer than he who conſumes it in luxurious gratifications of the palate. (See Dr. Smith, b. 2. chap. 3. towards the end). But this circumſtance by no means proves that wealth is *created* by ſuch expenditure. The general introduction of vaccine inoculation would doubtleſs *ſave* many lives to the State; but we ſhould be apt to ſtare with ſurpriſe, if Dr. Jenner had claimed a reward for a diſcovery that *created* human beings.

The preceding ſtatement of the reaſons which induce me to hold the opinion that agriculture is the ſole ſource of revenue, will neither have its truth proved nor diſproved by the citation of authorities in its favour; but, as it may tend to ſhew that I am not ſingular in maintaining this opinion at the preſent day, and as the Edinburgh Reviewer may poſſibly not deem it ſo very prepoſterous, if it ſhall prove to have been very recently held by a political Economiſt, for whoſe attainments himſelf or his coadjutors have, on various occaſions, profeſſed great reſpect, I ſhall here beg leave to quote the

ſentiments

ſentiments of Mr. Malthus on this queſtion. And it will be allowed that the teſtimony of this gentleman is entitled to greater attention, when it is underſtood that he is far from being a blind follower of the Economiſts.—After giving it as his perſuaſion that, in ſome ſenſes, the definitions of national wealth, both of Dr. Smith and the Economiſts, are correct, he continues; 'Whichever of 'theſe two definitions is adopted as the beſt criterion of 'the wealth, power, and proſperity of a State, the great 'poſition of the Economiſts will always remain true, that 'the ſurplus produce of the cultivators is the great fund 'which ultimately pays all thoſe who are not employed 'upon the land. Throughout the whole world the num-'ber of manufacturers, of proprietors, and of perſons en-'gaged in the various civil and military profeſſions, 'muſt be exactly proportioned to this ſurplus produce, 'and cannot in the nature of things increaſe beyond it. 'If the earth had been ſo niggardly of her produce as 'to oblige all her inhabitants to labour for it, no manu-'facturers or idle perſons could have exiſted. But her 'firſt intercourſe with man was a voluntary preſent; not 'very large, indeed, but ſufficient as a fund for his ſub-'ſiſtence, till by the proper exerciſe of his faculties he 'could procure a greater. In proportion as the labour 'and ingenuity of man, exerciſed upon the land, have 'increaſed this ſurplus produce, leiſure has been given 'to a greater number of perſons to employ themſelves in 'all the inventions which embelliſh civilized life. And 'though, in its turn, the deſire to profit by theſe inven-'tions has greatly contributed to ſtimulate the cultiva-'tors to increaſe their ſurplus produce; yet the order of 'precedence is clearly the ſurplus produce; becauſe the 'funds for the ſubſiſtence of the manufacturer muſt be 'advanced to him, before he can complete his work: 'and if we were to imagine that we could command this 'ſurplus produce whenever we willed it, by forcing ma-'nufactures, we ſhould be quickly admoniſhed of our

'groſs

'groſs error by the inadequate ſupport which the work-
'man would receive, in ſpite of any riſe that might take
'place in his nominal wages.'* Then, after obſerving,
'That it is a very great error to ſuppoſe that the ſyſtem
'of the Economiſts is really unfavourable to manufac-
'tures';—that, 'in the hiſtory of the world the nations
'whoſe wealth has been derived principally from manu-
'factures and commerce, have been perfectly ephemeral
'beings compared with thoſe the baſis of whoſe wealth
'is agriculture';—and that 'it is in the nature of things
'that a State which ſubſiſts upon a revenue furniſhed by
'other countries, muſt be infinitely more expoſed to all
'the accidents of time and chance than one which pro-
'duces its own':—Mr. Malthus goes on to ſay:—'No
'error is more frequent than that of miſtaking effects for
'cauſes. We are ſo blinded by the ſhewineſs of com-
'merce and manufactures, as to believe that they are
'almoſt the ſole cauſe of the wealth, power, and proſ-
'perity of England. But perhaps they may be more
'juſtly conſidered as the conſequences than the cauſe
'of this wealth. According to the definition of the
'Economiſts, which conſiders only the produce of land,
'England is the richeſt country in Europe in proportion
'to her ſize. Her ſyſtem of agriculture is beyond com-
'pariſon better, and conſequently her ſurplus produce is
'more conſiderable. France is very greatly ſuperior to
'England in extent of territory and population; but
'when the ſurplus produce, or diſpoſable revenue of
'the two nations is compared, the ſuperiority of France
'almoſt vaniſhes. *And it is this great ſurplus produce*
'in England, *ariſing from her agriculture*, which enables
'her to ſupport ſuch a vaſt body of manufacturers, ſuch
'formidable fleets and armies, ſuch a crowd of perſons
'engaged in the liberal profeſſions, and a proportion of
'the ſociety living upon money rents, very far beyond

* Eſſay on Population, 4to ed. p. 435.

'what

'what has ever been known in any other country in the 'world.' *

In addition to this ſtriking teſtimony in favour of the truth of the doctrine I am now contending for, I ſhall alſo here quote Mr. Malthus's obſervations, which are perfectly accordant with my own opinions, † relative to the confined and erroneous conceptions of thoſe, who, in contemplating the importance of the revenue derived from land, reſtrict their view to the net money revenue received by the claſs of land proprietors. 'If,' ſays he, 'in aſſert-'ing the productiveness of the labour employed upon 'land, we look only to the clear monied rent yielded to 'a certain number of proprietors, we undoubtedly con-'ſider the ſubject in a very contracted point of view. 'The quantity of the ſurplus produce of the cultivators 'is indeed meaſured by this clear rent; but its real 'value conſiſts in its capability of ſupporting a certain 'number of people, or millions of people, according 'to its extent, all exempted from the labour of pro-'curing their own food, and who may, therefore, either 'live without manual exertions, or employ themſelves 'in modifying the raw produce of nature into the forms 'beſt ſuited to the gratification of man. A net monied 'revenue ariſing from manufactures, of the ſame extent, 'and to the ſame number of individuals, would by 'no means be accompanied by the ſame circumſtances. 'It would throw the country in which it exiſted, into 'an abſolute dependence upon the ſurplus produce of 'others; and if this foreign revenue could not be 'obtained, the clear monied rent, which we have ſup-'poſed, would be abſolutely of no value to the nation.' ‡ —And again, in ſpeaking on the ſubject of taxation, Mr. Malthus obſerves, 'The real ſurplus produce of 'this country, or all the produce not actually conſumed

* Eſſay on Population, 4to ed. p. 437.

† See note in 'Britain independent of Commerce,' p. 32. ‡ p. 433.

'by

'by the cultivators, is a very different thing, and ſhould be 'carefully diſtinguiſhed from the ſum of the net rents of 'the landlords. This ſum it is ſuppoſed does not much 'exceed a fifth part of the groſs produce. The remain-'ing four fifths is certainly not conſumed by the labourers 'and horſes employed in agriculture; but a very con-'ſiderable portion of it is paid by the farmer, in taxes, 'in the inſtruments of agriculture, and in the manu-'factures uſed in his own family and in the families of 'his labourers.'*

Theſe quotations render it almoſt ſuperfluous for me to add any other confutation of the objections of thoſe who urge that agriculture cannot be the ſole ſource of the revenue of Britain, becauſe the rents of land in the kingdom do not amount to much more than the ſum annually paid in taxes †; and becauſe the added revenue of the whole community, is vaſtly greater than the value of even the groſs produce of the ſoil. Theſe objections,

---

* Eſſay on Population, p. 441.

† An hiſtorical fact is worthy the attention of thoſe who talk of the unexampled amount of our taxes. William the Conqueror, 700 years ago, when ſcarcely a manufacture, much leſs commerce exiſted, from his 1200 manors, and other internal ſources, derived a revenue of £. 1060 a-day; which, as the pound ſterling then contained thrice as much ſilver as it now does, and was beſides at leaſt twenty times more valuable, makes his annual revenue amount to upwards of £. 25,000,000 of the preſent day. (See Maſeres *Hiſt. Anglic. Selecta Monumenta*, p. 258). Now if England, 700 years ago, with a population of two or three millions, uſing a wretched mode of agriculture, and without manufactures and commerce, could afford to the government a revenue of £. 25,000,000; in what reſpect is it ſo very marvellous that Great Britain, with a population of eleven millions, and under a ſyſtem of agriculture the moſt productive in the world, ſhould now be able to ſupply the ſtate with £. 60,000,000 yearly; which, in proportion, is not half ſo much as was then paid? And what need is there to give to her commerce and manufactures, any ſhare of the merit of bearing this burthen, when the ability of her agriculture alone, to bear a much greater load, has been *proved?*

however,

however, it may be worth while ſlightly to attend to; eſpecially as ſome very erroneous calculations on this ſubject have lately been preſented to the public.—The net rent of land in this country has been variouſly eſtimated. I believe it is conſiderably more, but it will ſurely not be eſtimating it too high at 50 millions. That we may in every reſpect be within bounds, let us call the rent a quarter only of the groſs produce of the land; which will therefore be 200 millions. Now the only deduction which ought to be made from this ſum, for the purpoſe of aſcertaining what part of it conſtitutes the real revenue of the ſociety, is the amount of food conſumed by the cattle employed in huſbandry, and of the ſeed neceſſary to keep up the ſtock of grain. All the remainder of the Farmers' expences—the food which they ſupply to 2,000,000 of labourers—the coſt of their manure, of their implements of huſbandry, and of their various improvements of draining, irrigating, &c.—though they are a deduction from *their* revenue, are, in fact, an addition to that of the community. It will ſcarcely be diſputed, therefore, that if we ſubtract from the groſs produce of the ſoil a quarter, as the amount of food reſerved for the cattle of the farm, and of grain to be uſed for ſeed, we ſhall have made an ample allowance. It appears, then, at the very loweſt computation, that this country every year derives a revenue of £. 150,000,000 from its ſoil. Now this revenue it will be ſeen, when diſperſed in ten million ramifications through the maſs of ſociety, will be abundantly ſufficient to account both for the taxes which are paid by this country, and the revenue of the whole of its community. As to taxes, every man has the word in his mouth, that half of his income is expended in them. But if we deduct 60 millions from the amount of the revenue of the country, there is ſtill 90 millions remaining, untouched by government. And if we reflect that of the fifty millions of net revenue of the land holders;

the fifty millions of profit of the Famers; and the fifty millions expended by them in cultivating their land—all which is a new creation—ſixty millions are tranſferred to the government, of which twenty-ſix millions become a revenue which is ſpent by the ſtockholders; and that the remainder is, before the end of the year, expended in various articles of uſe or luxury, and thus becomes the revenue of millions of manufacturers and conſumers;—it will appear nothing very marvellous that the added revenue of all ranks in this country may be eſtimated, as Mr. Colquohoun has done, at 330 millions,* while the real revenue of the country is not half as much. This mode of eſtimating the revenue of a country by adding the revenue of all the claſſes of ſociety together, is as if a man worth £. 20,000 a year, allowing £. 1000 a year to each of his ten ſons, ſhould ſay that his family was worth not £. 20,000 but £. 30,000 a year. The revenue created from the ſoil, belongs in the firſt inſtance wholly to the land proprietors and farmers; but theſe two claſſes transfer nearly the whole to the manufacturing and unproductive claſſes; and by this proceſs, if attention be not paid to the *ſource* of revenue, we may readily calculate the revenue of the country to be twice as much as it really is.†

The corollary which the Economiſts deduce from the foregoing doctrine; namely, *That all taxes, however levied, fall ultimately upon the land,* ſo indiſputably follows, if the truth of that doctrine be admitted, that it would ſcarcely ſeem to need any further illuſtration; yet, as this deduction appears to be particularly repulſive to thoſe who have not attended to enquiries of this

---

* 'Treatiſe on Indigence.'

† On this ſubject ſee a note in 'Britain independent of Commerce,' p. 35.

nature,

nature, I ſhall venture, though at the riſk of being thought tedious, to occupy a few pages in placing it in as clear a point of view as I am able.

In order to accompliſh this object, we muſt once more leave a circulating medium out of queſtion. Now if no circulating medium were made uſe of, it is clear that the government muſt call for taxes in kind:—inſtead of requiring ſixty millions of pounds ſterling, yearly, it muſt demand the articles which this ſum is now employed to purchaſe. The expenditure of our government conſiſts in the ſums which it pays to the ſtockholders, the officers of ſtate, &c. and thoſe which are required for providing food, cloathing, &c. for the army and navy, for building ſhips, fortifications, &c. Let us in the firſt place, for the ſake of greater ſimplicity, attend to the ſources whence the latter branch, if paid in kind, muſt neceſſarily proceed. As all the wants of government might be readily ſatisfied, if it poſſeſſed proviſion for the ſupport of its naval and military eſtabliſhments, together with the requiſite raw materials for other purpoſes, and food for the ſuſtenance of the labourers neceſſary to give them form; it might either levy a tax of ſo much food, and of ſo much iron, wood, wool, &c. or it might at once demand a tax of ſo much food, and ſo many ſhips, ſo many muskets, ſo many coats, &c. If the former method were adopted, it is not eaſy to perceive how it can be denied that all the taxes would fall upon the ſoil; for from what quarter could a demand for wheat, oxen, ſheep, timber, and wool, be ſupplied, but from the produce of the land? and from whom could this produce be drawn, but from the claſs of cultivators, whoſe property the whole of the annual produce of the ſoil is? Though a part of this demand were made upon the claſs of manufacturers and the unproductive claſs, it is obvious that they could not have the power of ſatisfying it, except through the medium of revenue drawn from the agricultural claſs.—But although the caſe is rendered more complex, if we ſup-

poſe that the ſecond mentioned mode of taxation were acted upon, and a tax of ſo many thouſand yards of cloth were levied upon the woollen manufacturers, of ſo many ſhips upon the ſhip-builders, of ſo many muſkets upon the gun-ſmiths, &c.; a ſlight conſideration will ſhew that the caſe is not really altered. Let us enquire, for inſtance, how a demand of 1,000 yards of cloth, upon a woollen manufacturer, would be paid. As the price of ſuch of his cloth as was ſold prior to this demand, merely replaced the raw material, the proviſion conſumed in fabricating it, and his ordinary profits, if he were called upon for 1,000 yards of this cloth without any return, he muſt neceſſarily charge the whole of its coſt upon the remainder which was ſold. Thus the land owner would have to pay, in addition to the natural price of the cloth conſumed by himſelf, the price of all the cloth advanced to the ſtate; and thus he would as certainly in the end pay this tax, as if the raw material and the food required in manufacturing it, had been demanded from him in the firſt inſtance. In fact, this conſequence muſt follow, from the circumſtance, that the labouring manufacturer never derives more than a bare ſubſiſtence from his labour, and that the maſter manufacturer muſt always gain his ordinary profits. Neither the one nor the other, therefore, has the power of finally paying the taxes which the government may require of them. They muſt ſhift theſe taxes from their own ſhoulders, and they can in the end fall upon the land owners only, who have not the means of caſting the burthen upon any other claſs.

It is needleſs to dilate upon the mode in which the taxes required for the payment of the intereſt of the national debt, the ſalaries of the officers of ſtate, &c. finally fall upon the land. If theſe ſums were paid in kind, they muſt either be paid in proviſion with which every thing elſe could be procured, or in food and an aſſortment of manufactured articles. In both caſes, as

we have ſhewn above, they could be derived from no other ſource than the ſoil.*

If the Edinburgh Reviewer heſitates to admit the concluſion

* This mode of eſtimating our taxes—not by their nominal money amount, but by the commodities which they will purchaſe, and the men they will ſubſiſt—would help us to avoid the very common error of ſuppoſing that our real wealth has doubled within theſe 20 years, becauſe we can now pay 60 millions in taxes, with as much eaſe as we could then pay 30 millions. The fact is, that within the laſt 20 years, the price of every thing has more than doubled. When, therefore, we pay 60 millions in taxes at preſent, we do not really pay more than 30 millions would have been 20 years ago; and we can now as eaſily pay the former ſum, as we could then have paid the latter. This conſideration, too, will ſhew us the error of eſtimating the relative power of the continental ſtates and our own, by the *nominal* amount of the revenues of each. Thus, ſome would ſuppoſe that France, with a revenue equal to 40 millions ſterling, is much poorer than Britain with one of 60 millions. But, in truth, ſhe is much richer; for 40 millions in France are equal to 80 millions in Britain. The coſt of keeping up naval and military eſtabliſhments being there only half as much as in this country, 40 millions in France are equal to 80 millions here.—There is one view of the effect which the augmentation in the price of every thing in this country has had, which, though it is but diſtantly connected with this ſubject, deſerves to be pointed out. I mean; *That this augmentation of price has virtually extinguiſhed a large portion of the national debt.* Thus, for the 100 millions of that debt contracted in the American war, we now *really* pay only half as much intereſt as was agreed to be paid when it was borrowed; which is the ſame thing as if 50 millions of that debt were wiped off. That this is true, muſt be allowed if we leave a circulating medium out of queſtion. The holder of £. 10,000 ſtock, bought during the American war, could at that time have purchaſed twice as much with the intereſt of it, as he now can. He has virtually, therefore, loſt half of his capital; and the nation in reality only pays him half the ſum it agreed to pay. This view of the national debt, which, as far as I know, is new, will enable us to conceive how ſuch a debt may be increaſed to a vaſt extent without inducing national ruin, or even abſorbing all the revenue of the land proprietors. By increaſing the price of commodities in proportion as it increaſes, (for to this cauſe principally I am perſuaded ſhould

concluſion which the preceding arguments have been intended to ſupport; I would beg to refer him to an authority, to which on many occaſions I am diſpoſed to pay great deference, and which his reverence for the identity of the critical character, will ſcarcely ſuffer him to impugn—I will refer him to the EDINBURGH REVIEW. At page 445, of vol. 1, he will find the following ſentence on this ſubject, pronounced by the Reviewer of a work, the profeſſed object of which was to controvert the doctrine of the Economiſts, and to prove that taxes fall equally upon every branch of revenue. After ſhewing, very clearly in my opinion, that a tax upon rent would fall, not as the author of the work has contended, upon both the farmer and the landlord, but upon the latter alone; the Reviewer continues, 'We are rather inclined 'to believe that the ſame train of reaſoning which thus 'proves that all taxes on land are paid by the proprietor 'alone, requires very little extenſion in order to lead us 'to a more general concluſion, *that* ALL TAXES WHATEVER *ultimately fall on the neat ſurplus of the annual 'reproduction.* The argument, perhaps, has not yet 'been ſtated in ſuch a form as to leave no room for 'objection; but this propoſition appears to us to be the 'neareſt approximation to truth that has yet been 'offered on the ſubject.' Then, after remarking 'that a 'line of diſtinction has not always been ſufficiently drawn 'between the theoretical concluſion, or general fact, of 'the ultimate incidence of taxes, and the practical 'ſcheme of a direct territorial tax,' he goes on to ſay, 'For ourſelves, we will confeſs that while we entertain

'more

ſhould be attributed our riſe of prices, and not, as the Edinburgh Reviewer has contended, to any influx of the precious metals or augmentation of paper money), it virtually in a great meaſure extinguiſhes itſelf in its progreſs. If the original lenders to the ſtate, had had the wiſdom to ſtipulate for a *corn* intereſt, the nation would be burthened with the payment of an intereſt to them, nearly twice as great as it now pays.

'more than doubts with reſpect to the expediency of the 'latter, we have very little heſitation as to the truth of the 'former.———But although the territorial incidence of 'all taxes does not appear to ſuggeſt neceſſarily a direct 'impost upon land, which is the great practical tenet of 'the Economiſts, it is *intimately* and *neceſſarily* connec-'ted with their great theoretical tenet as to the *ſource* 'of national riches. Theſe two poſitions indeed are 'involved in each other; or rather they may be ſaid to 'form two views of the ſame general fact, one of which 'preſents it indirectly.' The Reviewer then proceeds to ſtate as 'a preſumptive evidence in favor of the 'economical theory,' that, 'its principle with regard to 'the primary and eſſential ſource of wealth, the eluci-'dation of which has given political economy a new 'form, or rather firſt gave a ſtrict ſcientific form to that 'ſubject,' has, like many other great diſcoveries, been detected by ſome authors of antiquity; and that 'the 'two propoſitions, of which it conſiſts, and which are 'intimately connected with each other, have ſeparately 'and independently occurred to the moſt cultivated 'underſtandings, by which in former times the relations 'of political economy were examined.'

If the Reviewer, violating the ſanctity of the regal "*we*," tells me that this is the opinion of one of his aſſociates, not his, I can only lament that they whoſe 'profeſſed object it is to uſe their feeble endeavours in 'aſſiſting the public judgment' (No. 22, p. 430), ſhould direct it to one track one day, and to another directly oppoſite the next.

In this long, and, I fear, tedious diſcuſſion, we have almoſt loſt ſight of Mr. Mill, who has advanced little that directly bears upon this point. But a remark at the cloſe of his chapter, 'on land, as a ſource of wealth,' requires attention. He ſtates that I have unfairly kept out of view the doctrine of the Economiſts, that land is the only proper ſource of taxation.—Here we find Mr. Mill purſuing his old plan of forcing down the throat

of

of his opponent, whatever may be his objection to ſwallow them, all the concluſions which others have deduced from his premiſes. The ſimple cauſe why, in the firſt editions of my pamphlet, I did not mention this doctrine of the Economiſts, was, that it was one of ſeveral of their poſitions with which I could not agree. In the third edition, I expreſsly ſtated my diſſent from it; and of this circumſtance Mr. Mill in a note admits that he was aware. But he is mortified that I ſhould thus elude his graſp, and he laments that I did not give my reaſons for this diſſent, as 'he can diſcover none that are not as 'ſtrong againſt the theory as againſt the corollary. (p. 46.).—It would occupy too much ſpace to give Mr. Mill *all* the reaſons that he demands; but his curioſity ſhall be gratified with one of them, which he will ſcarcely aſſert to be hoſtile to the theory of the Economiſts.—In conſequence of the national debt, the ſtockholders in this country have a virtual mortgage on the ſoil, and a command of a portion of its ſurplus produce, equal in value to the intereſt of their debt. Now ſince the whole of their revenue is derived from the ſoil, it is clear that any taxes which they pay, muſt in the end fall upon the ſoil; yet theſe taxes are not refunded to them, as in the caſe of taxes laid upon the wages of labour and the profits of ſtock. The ſtockholder being a joint proprietor with the land owner, of the ſurplus produce of the ſoil, the taxes levied upon him are really paid out of his portion of the ſurplus produce; which is but juſt. But if all taxes were laid *directly* upon the ſoil, the land proprietors would pay a tax upon a portion of the ſurplus produce, over which, being mortgaged to the ſtockholder, they have no power, which would be the groſſeſt injuſtice.

Of Manufactures, as a Source of Wealth.

HAD not experience proved the contrary, I ſhould have conceived that the repeated declarations in my

pamphlet, of my conviction of the vaſt importance and utility of manufactures; of my perſuaſion that no country could accumulate wealth without their aid; nor any country in Europe make great agricultural advancement, if deprived of their ſtimulus;—would have ſufficiently ſhielded me from the charges of depreciating their value, and aiming at their deſtruction, which the Edinburgh Reviewer, and nine tenths of thoſe who have taken the trouble to comment upon my ſtatements, as well as Mr. Mill, have brought againſt me. But as I have been deceived in this reſpect, and the event has ſhewn theſe gentlemen's inability to credit that any one can be a friend to manufactures, who will not allow them to be a ſource of wealth,—it is neceſſary once more to ſtate, previouſly to entering upon the preſent inquiry, that neither Mr. Mill nor the Edinburgh Reviewer is more ſenſible than I am of the utility and importance of manufactures; and that in any thing which I may advance in oppoſition to the doctrine that they create wealth, I neither mean to degrade the merit of the manufacturing labourer, nor to adviſe the ſubſtitution of any other ſyſtem of induſtry in the room of that upon which we at preſent act. I contend for the doctrine of the Economiſts on this ſubject, as an abſtract truth, which I deem, for reaſons already indicated, of conſiderable importance; but in no reſpect do I deduce any practical rule from it, hoſtile to the exiſting ſtate of things.

At the outſet, too, it will not be uſeleſs to premiſe, that in reality there is little or no difference between my opinions on this point, and thoſe of my antagoniſts who moſt warmly oppoſe me. The controverſy in this, as in a thouſand other caſes, is chiefly to be attributed to the ambiguity of language. We uſe the words "create" and "ſource" in different ſenſes. I ſay the agricultural labourer alone *creates* wealth; that his labour is the ſole ſource of wealth; becauſe it alone brings into exiſtence matter without the annihilation of other matter—becauſe

this matter is eſſential to the exiſtence of man—and becauſe with its aid, every thing that his vaſt deſires can graſp, may be produced with facility. On the other hand, I deny that manufactures *create* wealth—that they can with propriety be termed a *ſource* of wealth—becauſe they cannot exiſt except through the extinction of agricultural produce; and becauſe in conſequence of the principle of population which ever multiplies the numbers of the human race beyond the quantity of food provided for them, the poſſeſſors of the produce of the earth can always *command* the produce of the labour of the manufacturing claſs; the members of which never receive more than a bare maintenance in return for their labour.

Mr. Mill and the Edinburgh Reviewer, uſe the words "create" and "ſource" in a ſenſe widely different. Becauſe manufacturers refund an equal value for what they conſume;—becauſe if they conſumed the produce of the earth without making ſuch a return, this value would not have exiſted;—it is contended by them that this claſs creates wealth.

Now in this ſenſe neither the Economiſts nor myſelf will deny that manufacturers create wealth. The Economiſts certainly never aſſerted that a nation which employed its agricultural produce in feeding manufacturers, would not be richer than one that employed an agricultural produce equally great, in feeding idlers. And, however a few expreſſions of my pamphlet, not perhaps ſufficiently preciſe, may be twiſted, the context will indiſputably ſhew, that it could not be my aim to maintain any ſuch opinion. On the contrary, I have over and over again ſtated, that manufacturers were eſſential to enable a nation to accumulate wealth.

The queſtion therefore is, By whom are the terms now under conſideration properly applied—By Mr. Mill and the Edinburgh Reviewer, or by the Economiſts and myſelf? To determine this, let the reader conſider the following

lowing analogous illuſtrative caſes. The profeſſion of phyſic, I ſay, is a very neceſſary and uſeful one. It annually ſaves many lives to the community. The nation, therefore, which abounds in ſkilful phyſicians, will be richer in men than that which has none. But could I therefore contend with any propriety, that the phyſician *creates* human beings—that he is the *ſource* of exiſtence?—So, if Paracelſus, in his reſearch after the philoſopher's ſtone, had diſcovered a liquor of which a drop when poured upon a buſhel of ſand, had the marvellous power of tranſmuting it into grains of gold; could we with any propriety have ſaid, that the *ſand* created the gold—even though the liquid poſſeſſed no extraordinary powers when poured upon clay, or chalk, or wood?—Again, we ſhould find it very difficult to collect rain water from the top of a building, without a ciſtern to contain it, but ſhould we therefore ſay the ciſtern *created* the water.—Or, laſtly, would the Farmer who turns a lean ox upon an acre of rich paſture, ſay that the ox *created* the three or four ſtones weight of fleſh, which it would gain in a few months?—If we could not with accuracy apply the term "create" to any of theſe caſes, neither can we in the inſtance of manufacturers. Manufacturers, are the phyſician who prevents the ſick from dying; the ſand which the philoſopher's ſtone converts into gold; the ciſtern which accumulates and preſerves rain water; the ox which tranſmutes graſs into fleſh: but nevertheleſs they do not *create* riches.

If this explanation of the eſſential difference which exiſts between manufactures and agriculture as ſources of wealth, be correct; it will follow that I can with perfect conſiſtency concede to the Edinburgh Reviewer, that the accumulation of capital in the hands of the manufacturer tends to enrich a ſtate—that without this claſs, a coach which now coſts 50 quarters of grain, would have coſt a hundred—that "the accumulation of capital and the perfection of manufacture" do indirectly contribute to the

wealth of the country—all this I can grant and yet conſiſtently ſtill contend that agriculture is the ſole ſource of wealth. This accumulation of capital, this perfection of manufactures, both date their creation from the ſoil, and without it, could not have exiſted; yet the agricultural produce which is their ſource, might have been expended in a mode which would have left no return, and therefore this return is a *fixation* of national wealth. Nor are the Economiſts leſs perſuaded of the important influence of manufactures upon the wealth of a ſtate. In Dr. Smith's maſterly analyſis of their doctrines, he expreſsly gives as one branch of it "That the induſtry of merchants, artificers, and manu-" facturers, though in its own nature altogether unpro-" ductive, yet contributes indirectly to increaſe the pro-" duce of the land. It increaſes the productive powers " of productive labour, by leaving it at liberty to confine " itſelf to its proper employment, the cultivation of land, " and the plough goes frequently the eaſier and the bet-" ter by means of the labour of the man whoſe buſineſs " is moſt remote from the plough." (B. iv. chap. 9.) Nor did Dr. Smith, in announcing this part of the doctrine of the Economiſts, conſider it to be any way inconſiſtent with their main principle.

After this attempt to develop the true ground of the controverſy on this point I proceed to advert to the arguments by which Mr. Mill has endeavoured to oppoſe the doctrine, that the value of the manufacturers labour is only equal to his conſumption of agricultural revenue. Firſt, he contends that it is of greater value becauſe the profit of the ſtock employed in bringing it to market muſt be alſo paid; and ſecondly, becauſe, if a manufactured article is set on one ſide, and the raw materials and food conſumed in its fabrication, on the other, every body will give more for the manufacture (p. 24.)—One ſource of Mr. Mill's error here, is his taking the term "food" in a ſenſe much more reſtricted than I intended.

When I ſay the labouring manufacturer receives only food for his labour, I evidently mean to include lodging, clothing and fuel; and it is ſurpriſing that Mr. Mill ſhould have required this to be explained to him. He could not ſurely ſuppoſe I meant to ſay, that manufacturers go naked, and live in the woods. By the food received in return for their labour, I underſtand not merely that required for their own ſuſtenance, but that alſo which they will transfer to the owner of the cottage in payment of his rent; to the collier in return for his coals; and to the clothier for his coat, &c.

But the futility of this objection will be rendered more apparent, by attending to another view of the ſubject; a view which I deem of ſuch importance, that I ſhall requeſt the reader's patience while I enter into a ſomewhat detailed illuſtration of it.

I contend, then, that the quantum of food tranſferred to the manufacturer in return for his labour is of no moment with reference to the queſtion of the creation of wealth by manufactures. This quantity may be greater or it may be leſs than the food which has been actually conſumed in producing the manufacture for which it is exchanged, but in either caſe, the real value of the manufacture, is the food which has been conſumed in producing it; and on the other hand, the real intrinſic value of food, is, in every caſe, the manufactures which may be brought into exiſtence during its conſumption: and this value is wholly independent of the quantity of manufactures for which it may be exchanged by the cultivator. Or to expreſs this idea in other words, I contend that the real value of that which forms by far the largeſt portion of agricultural produce —of food—is the ſervices of every kind rendered by thoſe to whoſe ſuſtenance it has contributed, during the period of their conſumption of it. This poſition may be variouſly illuſtrated. Thus (leaving a circulating medium out of queſtion) if a land proprietor choſe to give

Madame

Madame Catalani 100 quarters of wheat for ſinging an Italian air, it would be ridiculous to aſſert that the real value of this wheat was merely the ſong. Its real intrinſic value would be all the enjoyments, all the products of art for uſe or for pleaſure, for which Madame Catalani could exchange it; and all the products for which thoſe who had miniſtered to her gratification, could exchange the portion remaining with them after they had replaced the food conſumed in producing theſe products. Again: ſuppoſe a farmer were to engage to give a cabinet-maker, to whom he had furniſhed wood and tools, 30 quarters of corn for fabricating a curious cabinet, about which he was oocupied three months—the real intrinſic value of this corn would not be the cabinet merely, but all the manufactures alſo which the cabinet-maker could command from the ſurplus of theſe 30 quarters, that remained after his own ſubſiſtence had been deducted. That this ſtatement is accurate, will be ſeen if it be conſidered, that provided the farmer had met with a cabinet-maker ſo poor, that he could have engaged him for his mere ſubſiſtence, which we will call 2 quarters, he could then have expended the remaining 28 quarters in the manufactures which, on the contrary ſuppoſition, the cabinet-maker would have enjoyed. Thus the real wealth of the community, in this inſtance, would not have been at all affected by the greater or leſs wages of the manufacturing labourer. The ſole difference would be, that the farmer would in the one caſe be richer and the cabinet-maker poorer than in the other, and *vice verſâ*. The *proſperity* of the bulk of ſociety will be greater the greater is the quantity of food exchanged by the cultivators for a given quantity of manufactures; but its groſs *wealth* will not be influenced, whatever may be the amount of the food exchanged. If we do not admit this, it is evident that we place national riches in nominal value, which is nonſenſe. A country that, by conſuming 100 quarters

of

of wheat, fabricates a quantity of wool into a thouſand yards of cloth, half of which remains with the woollen manufacturer, cannot be richer than another country, which, adopting a different ſyſtem, fabricates the ſame quantity of cloth by means of the ſame quantity of corn, but draws the whole of the cloth to thoſe who furniſhed the corn.—This mode of viewing the ſubject, will enable us to comprehend whence ariſes the amazing difference in the *corn* price, if I may ſo expreſs it, of the manufactures of countries, where from a variety of circumſtances, the ſyſtem of ſociety is different from ours. Thus in the Eaſt Indies, where little of either fuel, clothing, or lodging is required, and no animal food is conſumed by the maſs of ſociety; if our improved ſyſtem of manufactures and of agriculture were prevalent, the proprietor of 10 acres of land could acquire twice as many goods in exchange for his agricultural produce, as he can in this country where the manufacturer muſt neceſſarily retain a greater portion of the manufactures into which that produce can be converted. And again; if the manufacturers of this country were to live chiefly on potatoes, as ſome injudicious perſons have adviſed, and the climate were to become ſo mild that little fuel was required, and no houſe or clothing but a mud hovel and a ſlight ſtuff veſt, the land proprietor, inſtead of purchaſing the labour neceſſary to convert a quantity of wool into 1000 yards of cloth, as he now does, for the food produced by 50 acres, would purchaſe it probably with the produce of 25. He would thus retain the clothes, the fuel and the houſe rent, or an equivalent to them, which on the preſent ſyſtem ſupply the wants of the manufacturers. But ſurely we cannot ſay that ſuch an alteration of affairs, would make the wealth of the country either greater or leſs.

If the preceding obſervations have been ſucceſsful in impreſſing the reader with the truth of the poſition they have been intended to maintain, namely, that the

real

real intrinſic value of the produce of the earth, is the ſervices and manufactures which can be produced by the conſumption of the food and raw materials of which that produce conſiſts; and that this value is independent of all nominal price; it will be obvious that the objections of Mr. Mill to the doctrine of the Economiſts, are not of the ſlighteſt weight. If the cultivator gives more for a manufactured article than the raw produce and food conſumed in producing it, then he gives more than its real value. The extra food and raw produce will ſtill afford an aditional value.—And this is a complete anſwer alſo to Mr. Mill's objection (p. 30.) that manufactures create wealth, becauſe the invention of machinery enables the manufacturer to produce 500 yards of cloth, for inſtance, with the ſame expence of proviſion as was before required to produce 100. In truth, when, by the invention of machinery, the ſame quantity of manufactured produce is raiſed by a leſs conſumption of proviſion, no very long interval of time elapſes before the cultivator purchaſes the aditional quantity for the ſame ſum as he formerly gave for the quantity produced by the old mode. But the enjoyment of a monopoly by the diſcoverer of a new machine, does not alter the caſe. He transfers to himſelf, in conſequence, a quantity of food from the cultivator, for leſs than its real value; but the country would have been juſt as rich if he had ſold his manufacture for a quantity much ſmaller.

It has been well obſerved, that the habit of eſtimating the value of every thing in money, is at the root of almoſt all the errors of Political Economiſts; and it will be ſeen that this prejudice which has evidently bewildered Mr. Mill in the objections above adverted to, has been at the foundation of his attempt to invalidate the concluſion which I drew from the ſuppoſed manufacture and ſale of a coach. Mr. Mill aſſerts that it is certainly true "that if the coach-maker has, in the month of "October, 50 quarters of corn, which, in the month of "March,

" March, he has transformed into a coach worth 60 quar-
" ters, the country is the richer in conſequence of this
" manufacture of the coach, to the amount of 10 buſhels,
" (quarters, I ſuppoſe) of corn." (p. 26.) Now in reply to this aſſertion, for it is nothing more, I would merely aſk Mr. Mill, by what *hocus pocus* he can create 10 quarters of corn by manufacturing a coach. He ſays the country would be richer in conſequence of this manufacture to the amount of 10 quarters of corn. I aſk him how? and I aſk him moreover, if he really believes that the country would have been poorer if the coach had been ſold for 50 quarters, its original coſt. If he does not, then he muſt allow that the coach being worth 60 quarters has nothing to do with an encreaſe of national wealth. The *coach* is a portion of national wealth; not the *worth* of it, whether that worth be expreſſed in money or corn.

After making the objections juſt refuted, Mr. Mill adds ſeveral remarks on the queſtion now under conſideration, the tendency of all which being merely to ſhew that manufactures and the diviſion of labour have an indirect influence upon the proſperity of agriculture, I certainly do not feel myſelf called upon to controvert. I would only obſerve that his aſſertion, ' that it is the ' manufacturers who add the whole value it obtains to ' four parts at leaſt in five of the produce of the ſoil,' (p. 26.) is founded upon the ſame miſapprehenſion of the principle of population;—the ſame inattention to the fact that food is the grand want of man and that with it he can procure every thing;—and the ſame neglect of the great truth that the bulk of manufactures are carried on ſolely as a mean of obtaining this food from the monopolizers of the ſoil;—which I conceive have pervaded the whole of his reaſoning on this ſubject. If, when a cultivator has produced from the land five times more than he can himſelf conſume, there were any difficulty in finding mouths to eat the remainder,

and hands that would give the produce of their labour in return for it, there would be ſome reaſon for this ſtatement of Mr. Mill. But he ſurely muſt know that when food is produced, the population will always encreaſe in a ratio beyond its augmentation; and that, from this cauſe, it is the poſſeſſor of food, not the manufacturer, who fixes the value of his produce.

Having thus replied to what ſeems to me the ſubſtance of all the arguments that I have ſeen advanced againſt the doctrine that manufactures do not create wealth, it will not be uſeleſs to quote the opinions of two philoſophers on this ſubject, whoſe authority few will deny to be an acceſſion to the ſtrength of any cauſe.

'Firſt, then, let us hear the ſentiments of that profound and original thinker Dr. Franklin. On the queſtion of what is the real value of food and manufactures, he thus expreſſes himſelf in a letter to Lord Kames: 'Food 'is *always* neceſſary to all; and much the greateſt part 'of the labour of mankind is employed in raiſing pro- 'viſion for the mouth. Is not this kind of labour, 'then, the fitteſt to be the ſtandard by which to meaſure 'the values of all other labour, and conſequently of all 'other things whoſe value depends on the labour of 'making or procuring them? May not even gold and ſilver 'be thus valued?'*—Again, in a paper on the principles of political economy, he ſays, 'All food or ſubſiſtence 'for mankind ariſes from the earth or waters. Neceſ- 'ſaries of life that are not food, and all other commo- 'dities, have their value eſtimated by the proportion 'of food conſumed while we are employed in procuring 'them.—From labour ariſes a great encreaſe of vege- 'table and animal food, and of materials for clothing 'as flax, wool, ſilk, &c. The ſuperfluity of theſe is 'wealth. With this wealth we pay for the labour em- 'ployed in building our houſes, cities, &c. which *are*

* Lord Woodhouſelee's Life of Lord Kames, vol. ii. p. 85.

'*therefore*

'*therefore only ſubſiſtence thus metamorphoſed.*—Manu-
'factures are only *another ſhape* into which ſo much pro-
'viſion and ſubſiſtence are turned, as were equal in value
'to the manufactures produced. This appears from
'hence, that the manufacturer does not in fact obtain
'from the employer for his labour *more* than a mere
'ſubſiſtence, including raiment, fuel and ſhelter, all
'which derive their value from the proviſion conſumed
'in procuring them.*'

Whether theſe ſtriking aphoriſms of the American ſage, were the offspring of his own vigorous inveſtigations, or adoped from the French Economiſts, is of little moment. In either caſe to have them pronounced by ſuch a man is *a priori* greatly in favour of their conſonance with truth; and few will be inclined to admit that reaſonings which Dr. Franklin thought convincing, can deſerve the epithet "flimſy," which Mr. Mill has beſtowed upon them.

The other authority which I ſhall adduce on this ſubject is that of Mr. Malthus; and the ſentiments of this gentleman will be deemed of greater weight, when it is recollected, as I have before obſerved, that he is no blind admirer of the Economiſts; but admits that in ſome ſenſes, manufactures may be ſaid to create national wealth. Yet, nevertheleſs, he does not heſitate to aſſert that, 'manufactures ſtrictly ſpeaking are no *new* pro-
'duction, no new *creation,* but merely a *modification*
'of an *old* one, and when ſold muſt be paid for out of
'a revenue already in exiſtence, and conſequently the
'gain of the ſeller is the loſs of the buyer. A re-
'venue is transferred but NOT CREATED.† We have here the truth of all that I have aſſerted on this ſubject, explicitly allowed; and Mr. Mill may believe, that in the company of the Economiſts, Dr. Franklin and Mr.

* Franklin's Works, vol. ii. p. 409. edition 1806.

† Eſſay on Population, p. 433.

Malthus, it gives me very little concern to hear the opinions which we hold in common, ſtigmatized by him as "contracted," "imperfect," and "flimſy."

Of the Influence of the Expenditure of the Land Proprietor's Revenue, upon the Production of National Wealth.

On this queſtion, which, in the pamphlet on which he comments, occupies about half a dozen pages, Mr. Mill has given a diſſertation that fills five-and-twenty. It would be tedious to examine all his arguments at length: their ſubſtance however I ſhall endeavour to reply to. But, in the firſt place, the objections of the Edinburgh Revewer claim attention.

After ſome of thoſe ſneers which a Reviewer finds ſo uſeful in flavouring his more taſteleſs matter, partly directed againſt my doctrine and partly againſt the "landed gentlemen," he obſerves 'that in the preſent ſtate of 'ſociety they would not forfeit with him their fair cha-'racter, if they were occaſionally to lay by a little for 'younger children, when they have large families; 'nor would they, in his eyes, be guilty of any great 'crime towards the ſtate, even if ſo many as were ſo 'diſpoſed were to be as parſimonious as Mr. Elwes.' He admits "that conſumption muſt exiſt ſomewhere," but he conceives 'there cannot be a more groſs error 'than to conſider the land proprietors as the principal 'conſumers of the country, when they have not the 'diſtribution of much above a fourth part of the value 'of the raw produce of the country.' (p. 434.)

Theſe objections are a compound of mere quibbling and groſs miſrepreſentation. Becauſe I had maintained that direful ruin would enſue, if the "*whole*" of the claſs of land proprietors were to imitate Mr. Elwes, the Reviewer ſays they would not be guilty of any great crime in his eyes, if "*ſo many as were ſo diſpoſed*" were

to

to be as parſimonious as this noted miſer. This is a good ſpecimen of that happy talent at evading an argument, for which the fraternity of which this gentleman is a member, are ſo famous. The Reviewer very well knew that I never contended for the neceſſity of every individual land owner ſpending his revenue; and that therefore I ſhould as little deprecate, as himſelf, the occaſional hoarding for younger ſons; and feel as little pain at the contemplation of a few miſers among them. What I contend for, is the general principle; not that every individual ſhould conform to it: being well aware that the ſaving ſchemes of ſome will be always counteracted by the profuſion of others. But what has the Reviewer advanced in oppoſition to this principle? Nothing. He ſays, indeed, that the land owners are not the recipients of more than one fourth of the raw produce of the country, and that it is a groſs error to ſuppoſe them the ſole conſumers in the country. But who aſſerted this? Not I, aſſuredly. If the Reviewer had exerciſed the ſlighteſt candour, he would have told his readers that in the very page where I ſtate the land proprietors to be the recipients of the revenue of a country, (p. 32.) there is a note for the purpoſe of explaining that, by the term land proprietors, I mean alſo to include the farmers, ſo far as reſpects their profits, and that I uſe the former term merely to prevent circumlocution. Now will not the Reviewer admit, that the land proprietors and farmers together, have in their poſſeſſion all the raw produce of the ſoil? and putting money out of the queſtion, will he not grant, that if they do not exchange this with the claſs of manufacturers and the unproductive claſs, their members muſt die of cold or periſh with hunger? If he admits this, he admits all I contend for.

There is only one more of the Reviewer's obſervations on this ſcore, to be attended to. He ſays the importance which I have attached to the circumſtance of 50 landlords becoming parſimonious is ridiculous. And

ſo

ſo it would be if I had attached importance to it. But could not the Reviewer ſee that I merely inſtanced this caſe as an illuſtration of the effect which would enſue from a *general* adoption of ſuch a ſcheme? And will he pretend that the *total* loſs (for it was clearly this to which I had reference) of the cuſtom of a claſs which annually at the leaſt ſpends 50 millions, would be of leſs conſequence than the loſs of the cuſtom of America or the Continent?

I now proceed to the conſideration of Mr. Mill's objections to this doctrine.

His firſt is, that land is not the ſole ſource of wealth. (p. 67.) To this I have ſo fully replied in a former ſection, that it is needleſs again to attend to it. He, then, as preparatory to further inveſtigation, enters on a laboured illuſtration of the term "conſumption," which, he ſays, has two ſenſes: Firſt, that of actual annihilation, as when the manufacturer drinks his wine, or the land proprietor conſumes a thouſand quarters of corn in the maintenance of dogs, horſes for pleaſure, and livery ſervants: And, ſecondly, that of employment for reproduction; as when the manufacturer conſumes his wool or cotton in working it up into cloth, or when the land proprietor conſumes a thouſand quarters of corn in the maintenance of agricultural horſes and ſervants. He then takes upon himſelf to ſay, and very truly, that 'the man in whoſe reaſonings and doctrines 'theſe meanings are confounded, muſt arrive at woeful 'concluſions,' and he gives it as his belief (p. 71.) that it is in the former of theſe ſenſes, or that of actual annihilation, that I have underſtood the term conſumption.

This is to be ſure all very amuſing. But I may join Mr. Mill in proclaiming, that the man who, in combating his opponent's doctrine, gives to a term a meaning which neither he nor any other political Economiſt ſcarcely ever applies to it, muſt arrive at woeful concluſions. What political Economiſt but Mr. Mill ever before

before applied to the term conſumption the meaning of actual annihilation? I had conceived that it was ſtrictly proper to call the purchaſers of cabinet ware the *conſumers* of this manufacture. But Mr. Mill, it ſeems, when he hears talk of the conſumers of cabinet ware, underſtands that the purchaſers, inſtead of placing it in their apartments, and carefully tranſmitting it from father to ſon, break it and burn it as ſoon as they get home! For my own part, I ſhould have no heſitation in calling the buyer of a houſe, the conſumer of that portion of the ſtock of a builder; but I ſhould not have eaſily conceived, that any one would have underſtood me to mean that the purchaſer muſt ſet it on fire. Indeed actual extinction is not underſtood, when the term conſumption, in political Economy, is applied to the moſt periſhable articles. The *bon vivant* who intends to let his wine be well *tartared* before he drinks it, and ſtores it in his cellar for eight or ten years, is as much its conſumer on the very day that he has taken it out of the merchant's vault, as the vulgar citizen, of the gallon he buys one day and drinks the next. That Mr. Mill ſhould thus puzzle his readers with telling them I underſtand by conſumption actual annihilation; eſpecially when I had explained that I meant by it "the "final *purchaſe* and uſe of articles," (p. 44.) is, (to retort upon him one of his own ſarcaſms) 'a want of 'diſcernment which, in a man who ſtands up as an em-'phatical teacher in political Economy, does hardly 'deſerve quarter.'

After this very learned diſtinction between the meanings of the term conſumption, Mr. Mill enters into a long ſtatement, the ſubſtance of which ſeems to be, that the wealth of a country will encreaſe in proportion as its annual produce is employed in feeding thoſe who give a return for their food. On this ſubject Mr. Mill may reſt aſſured I do not differ with him. But the queſtion at iſſue is, whether it is the duty of the land proprietors

to

to employ that part of the ſurplus produce which remains with them as revenue or as capital? Now the determination of this queſtion depends on a circumſtance which Mr. Mill never ſeems to have been ſufficiently impreſſed with, namely, that by far the moſt important part of the produce of the ſoil is food, and that at leaſt five ſixths of the population of this country cannot procure this food except in return for ſervices of ſome kind. It is not therefore eſſential to the proſperity of the country, that the revenue derived from the ſoil ſhould be ſpent, that is, annually exchanged for the ſervices of the claſſes who do not poſſeſs any portion of the produce of the ſoil? And cannot Mr. Mill perceive, that though it is not the province of the cultivators to employ the produce of the ſoil as capital, except in a ſmall degree for the encreaſe of agricultural induſtry, yet that when expended, the *profits* which the other claſſes of ſociety derive from it will in their hands become capital? He muſt be perverſe, indeed, who does not ſee that it was my aim not to argue againſt the accumulation of capital in general, but againſt its accumulation in exceſs, and particularly by the claſs of land owners. To prove that accumulation even by this claſs is deſirable, Mr. Mill enters into an analyſis of the caſe of a land owner with a revenue of £ 10,000, who ſaves half of it, which he lends to a linen manufacturer. But ſolitary inſtances of this kind prove nothing. It is the general principle I contend for, relative to the truth of which we can come to a ſolid determination, only by putting an extreme caſe,—by inquiring what would be the reſult if *all* the land holders were to ſave their revenue. Let us try Mr. Mill's reaſoning by this touchſtone.

We have already found the great ſource of Mr. Mill's miſtakes to be the inſinuation of a circulating medium into his calculations. If therefore we wiſh to attain clear ideas on the preſent ſubject, we muſt once more leave this

this ſertile root of error, out of queſtion. The revenue, then, of the landholders, is not money; it is the produce of the ſoil—all the raw materials and food which the earth yearly produces. Mr. Mill ſays this ought to be *employed* as capital, not ſpent as revenue. There are but two ways in which it could be ſo employed; firſt as agricultural capital; or ſecondly as manufacturing capital. Mr. Mill ſeems to adviſe the former mode of employing it, when he recommends the landholder to expend upon his agricultural ſervants and horſes, what he had previouſly expended upon his livery ſervants and ſtud. Let us ſuppoſe, then, that the whole of the cultivator's revenue were to be the next year employed as agricultural capital. What would be the conſequence? Why, that the ſyſtem of ſociety muſt undergo a total change. All the manufacturers and idlers, which comprize five-ſixths of the community, muſt become cultivators, or they muſt ſtarve. But does not Mr. Mill ſee that this ſcheme is ſtark nonſenſe? Can he ſuppoſe that the landholders would employ their revenue in feeding twelve millions of people to do work which may be performed by two millions; or would this comport with his ideas of the neceſſity of manufacturers to create national wealth?—If this plan be ſo very abſurd, we muſt examine the feaſibility of the ſecond. Let us advert to the conſequences which would reſult from the employment of the whole of the landholders' revenue, as manufacturing capital. If we ſuppoſe they employed it in this way themſelves, then all the manufacturing capital before exiſting, would be uſeleſs; every landholder muſt become his own clothier, his own coachmaker; he muſt enter into competition with the maſter manufacturers, and the extinction of that moſt reſpectable and valuable claſs of men muſt ſpeedily follow. But Mr. Mill will ſay there is no need that the landholders ſhould themſelves employ their revenue as capital. They might lend it to the maſter manufacturers. This, however, only makes the

difficulty greater. The claſs of landholders in this country, annually give the claſs of manufacturers, food and raw materials in exchange for their manufactures, to the amount of fifty millions ſterling. Mr. Mill ſays they had better not ſpend this amount in this way, but lend it. And does he really ſuppoſe that employment could be found for fifty millions of additional capital, at the moment when thoſe who are to employ it, have loſt cuſtomers for their articles to the ſame amount? Was there ever a project conceived by man, more extravagant than this? Is Mr. Mill ignorant, that in this country even at the preſent moment, after a war that has abſorbed ſo many hundred millions of capital, it is difficult to meet with profitable employment for it? Does he not know that every buſineſs is crowded with competitors—that hundreds of farmers are anxiouſly waiting for an opportunity of employing their capital on land, without finding an opening;—and that even prior to the preſent ſtagnation of trade, the profits in every branch of commerce were ſo extremely low as to indicate a redundancy of capital? And yet he talks of the poſſibility of finding employment for fifty millions of additional capital yearly, and that, too, with the loſs of a market to the ſame extent!

Indeed, ſo truly abſurd is this ſcheme of increaſing national wealth, that I am perſuaded Mr. Mill will deny that he has ever adviſed it; though indiſputably his expreſſions imply as much. The fact ſeems to be, that looking at the expenditure of men of fortune in dogs, horſes, and french cooks only, and forgetting that indirectly by far the largeſt portion of their revenue is ſpent in home manufactures, Mr. Mill has advocated a ſyſtem in individual inſtances, of the reſult of which, when generally acted upon, he has been wholly unaware. That an individual landholder may be doing well to ſave £. 5,000 out of his revenue, and lend it to a neighbouring linen manufacturer, while there are hundreds of his neighbours

who

who are ſpending much more than their revenue, may be readily allowed. But the queſtion is, whether it would be productive of national wealth that fifty millions ſhould annually be ſo ſaved and lent? And except Mr. Mill can anſwer this in the affirmative, he has in nowiſe invalidated my poſition.

The preceding obſervations will in a great meaſure ſerve to ſhew that the remainder of Mr. Mill's remarks, relative to the neceſſity for an accumulation of capital to the progreſſive proſperity of a ſtate, are in part unneceſſary, and in part erroneous. Mr. Mill is indeed woefully miſtaken, if he ſuppoſes that I ever meant to contend, that a gradual addition to the capital of ſome branches of the ſociety, is not deſirable; nor is any thing that I have advanced, fairly capable of this interpretation. That the progreſſive proſperity of a country demands that the claſs of farmers, that the claſs of maſter manufacturers, ſhould yearly augment their capital, I am as well aware as Mr. Mill. But theſe claſſes have the power of doing this, without the aid of capital borrowed from the landowners—the one from its profit derived from the ſoil, the other from its *profit drawn* from the latter claſs and the claſs of landowners. And this remark, I truſt, will lead Mr. Mill to ſee how little cauſe he had for regarding the paragraph reſpecting Sir Richard Arkwright, which he ſo triumphantly quotes as contradictory to other parts of my argument, as really favourable to his opinions. It is the province of ſuch men as Sir Richard Arkwright to ſave, not of the land proprietors.

But though Mr. Mill might have ſpared himſelf the trouble of maintaining what I never denied, I am far from going the ſame length with him in reſpect to the extent of capital. Mr. Mill thinks there cannot be too much of it. I am perſuaded there eaſily may. And this is an opinion which needs no long chain of reaſoning to prove. Facts have eſtabliſhed its truth beyond contradiction. Holland, previouſly to her late misfortunes,

had acquired ſo much capital, that ſhe abſolutely could not find employment for it, and was glad to lend her ſuperabundance to any of her neighbours: and there can be little doubt, that, had it not been for the laſt war, the ſame would have been the caſe with this country. As Mr. Mill, however, notwithſtanding his ſneer in the beginning of his pamphlet, at my paradoxes, has thought fit to advance on this head, what he admits to be a paradox; and as this wonderful, "important, and demon-"ſtrative" hypotheſis, beſides having the charm of novelty, profeſſes to give a *quietus* to the doctrine of the Economiſts, that a market can be found for a certain quantity of commodities only; it will not be amiſs to examine it ſomewhat further. Mr. Mill grants that his theory will probably appear to his readers to be involved in conſiderable obſcurity. He will therefore pardon me, if, after all the attention I have beſtowed to develope its meaning, I ſhould have been unſucceſsful. His poſition, as far as I can collect, is this: There can never be a ſuperabundance of capital; becauſe if one part of it be employed in producing commodities of one deſcription, and another, commodities of another deſcription, the one may be exchanged for the other, and thus the market will never be overſtocked.*—Now, if Mr. Mill mean merely that there will be no ſuperabundance of capital, if in proportion as new capital is employed in the production of manufactures, new capital to a proportionate extent be employed in producing food to be exchanged for them, he merely aſſerts what I have aſſerted before him†—what the Economiſts long ago aſſerted—and I have no diſpute with him on a doctrine whoſe novelty I ſhall deny, but certainly not its truth. If, on the other hand, he mean to aſſert, that capital may be employed *ad infinitum* in producing new manufactures, while no addition is made to agricultural capital, —and this muſt be Mr. Mill's meaning, if, as he aſſerts, he is

* 'Commerce defended,' p. 81.

† See 'Britain independent of Commerce,' p. 79.

is controverting a doctrine of the Economiſts, for it is of *manufactured* commodities only, that they contend the market is limited—if ſuch be his meaning, I profeſs my entire diſſent from it. One ſingle argument is ſufficient to ſhew its extreme futility; and that of all people Mr. Mill ſhould have ſate quiet in his glaſs-houſe, without throwing ſtones at his neighbours paradoxes. Additional capital can be employed in new manufactures, only when there are freſh hands to be engaged. Now, how could Mr. Mill ſupport his increaſed population, if there were no increaſe of food provided for them? Half of his manufacturers might make ſhoes, and the other half coats; but while they were ſtarving for want of bread, it would be a poor conſolation to tell them that they might exchange one for the other. Here again Mr. Mill has loſt ſight of the important truth, that the great uſe of manufactures, is to enable thoſe who poſſeſs no ſhare of the ſoil, to obtain their daily bread from thoſe who have monopolized it, by preſenting them with ſome attractive object in exchange for its produce. When Mr. Mill enters into a laboured explanation of the importance of the accumulation of capital to the proſperity of the community, is he ignorant that more than one half of the manufactures in which the bulk of ſociety are engaged, are ſuch as never, in the ſmalleſt degree, directly contribute to their comfort? What better is the poor man for the eſtabliſhment of a new manufactory of buttons, or buckles, or necklaces, but in as much as it enables him to get more bread? I have contended for the increaſe of luxury, becauſe I can ſee no other way by which the poor of Europe can draw the produce of the ſoil out of the hands of its poſſeſſors. But I confeſs when I reflect on the ſqualid looks and depraved morals of the poor children who are cooped up in our great manufactories; when I witneſs the palſied hand of the gilder and paint manufacturer; and hear the hectic cough of the needle-grinder and cotton ſpinner;—I cordially agree

with

with Mr BURKE 'that no conſideration but the neceſ-
'ſity of ſubmitting to the yoke of luxury and the de-
'ſpotiſm of fancy, *who in their own imperious way will*
'*diſtribute the ſurplus produce of the ſoil,* can juſtify the
'toleration of ſuch trades and employments in a well
'regulated ſtate.' If there could be any other mode deviſed, by which the poor could draw their 'meat, 'clothes and fire' from the land proprietors, than by the fabrication of luxuries, in preparing which they are often, to uſe the ſtrong but too juſt language of an ingenious writer, "ſacrificed body and ſoul," I ſhould moſt gladly plead for the relinquiſhment of a great portion of our *wealth,* without any fear of thereby diminiſhing our proſperity.*

Of

* Mr. Mill has given a ſecond edition of moſt of the obſervations to which I have juſt attended, in a chapter with which he has honoured a haſty and confeſſedly imperfect note of mine on the national debt. But he muſt excuſe me from wearying the reader with the reiteration in another ſhape, of the ſubſtance of what I have already advanced. The ſum of my argument in favour of the national debt is, that it has prevented an exceſſive accumulation of capital; and the only way in which Mr. Mill controverts this poſition, is by urging again his former miſtakes about conſumption being annihilation, and the manufacturing of buttons and buckles to exchange for each other, a means of feeding the poor. It is therefore unneceſſary to obſerve more than this: That Mr. Mill has groſsly miſrepreſented me when he has ſaid, that I have recommended extravagance to government; and that a careful peruſal of his ſtatements has left me of the ſame opinion as before.—The Edinburgh Reviewer has wiſely left this obnoxious national debt-note unaſſailed. He fortunately recollected, probably, that he, or one of his aſſociates, in oppoſing the poſition of a galliciſed Iriſhman, that our national debt would be our ruin, had maintained a doctrine almoſt preciſely the ſame with mine; and proved that our immenſe debt is not ſo bad a thing as Mr. O'Connor flattered himſelf; but has been very uſeful in abſorbing our ſuperfluous capital.*

* Edinburgh Review, vol. v. p. 115.

Of Commerce as a Source of the Wealth of Britain.

After having replied to the objections urged by my opponents againſt the preliminary doctrines of my pamphlet, I now proceed to a conſideration of their criticiſms upon this branch of its ſubject.

I muſt begin by confeſſing an error; for the diſcovery of which however I have not to thank any of my adverſaries, as it occurred to me before I had had the benefit of their comments. Indeed, Mr. Mill, to my ſurpriſe, follows me in this miſtake; and the Edinburgh Reviewer does not diſtinctly point it out.—It was certainly injudicious, in the conſideration of commerce as a ſource of wealth to any country, to regard it as divided into the diſtinct branches of commerce of import and of export. It ought undoubtedly to be conſidered as a whole; and the profit ariſing from it cannot be aſcertained with correctneſs in any other view. In fact, though in form I have made this diviſion, I have, in treating upon commerce of export, in ſubſtance taken into conſideration, as it was impoſſible to avoid, commerce of import alſo.

But though this diviſion is certainly incorrect, as far as reſpects the main purpoſe of it, in other points—and it was theſe I had in view in adopting it—it is not improper. It is uſeful in order to ſhew the groſs error of two opinions very prevalent in this country, namely, that commerce enriches the nation by the *money* profit of the importing merchant, and by the duties paid to the government on goods imported. Now, as both theſe are ultimately paid by the home conſumers, it is clear that it is not in this way that commerce enriches a nation. As goods, not money, conſtitute riches, if merchants could be prevailed upon to import goods and ſell them

them without profit, the nation would ſurely be as rich, as if their profits were moſt exorbitant. Indeed theſe profits are always greateſt, when the national profits are leaſt. A nation will ſurely gain more (if it gains at all) by exchanging 100 bales of broad cloth for 1000 hogſheads of ſugar, than by exchanging them for 700. But ſuppoſing it has exchanged them for the former quantity, and that this was its whole ſupply: If 300 ſhould chance to be loſt at ſea, the remaining 700 would ſell at home for as much as the 1000, and the importers of the 700 would gain as *profit* from the conſumers, the total amount which the latter would have given for the 300 loſt, if the whole had arrived ſafe. Thus by attending to the profit of the importer, a nation might appear to get richer by having 700, than by having 1000 hogſheads of ſugar in return for a certain quantity of goods.—In the caſe of duties, it is ſtill more obvious, that they are finally paid by the conſumer.—In theſe views, therefore, it was not ſuperfluous to regard commerce of import ſeparately, and as diſtinct from commerce of export.

Mr. Mill, after a play upon a figurative expreſſion of mine, with which I have no objection to his making himſelf merry, if he can draw amuſement from applying a metaphor literally, following my argument, goes on to ſhew that commerce of import is profitable. This he does, firſt, by ſtating, that goods are of one value in one place, and another in another; and that if we buy a ton of hemp in Ruſſia for £. 50, which is ſold here for £. 65, our riches are increaſed £. 15 by the tranſaction. This concluſion I muſt *in toto* deny. It proceeds from the ſame ſource which has led Mr. Mill into ſo many errors—the uſe of money as a medium of exchange. He is here aſſerting that the money profit of the importing merchant, is national profit; which idea we have juſt ſhewn to be erroneous. According to this mode of reaſoning, the preſent ſtate of hoſtility with

Ruſſia has greatly enriched this country. In conſequence of it, the importers of hemp and tallow have gained £. 20 a ton more than they would have gained, if we had remained at peace; theſe articles having riſen in price to this amount. But will Mr. Mill pretend, that this riſe is national profit? or that we ſhould not have been as rich if hemp and tallow had fallen £. 20 a ton?—Mr. Mill oppoſes my argument, that in ſuch caſes the gain of the ſeller is the loſs of the buyer, by aſſerting that it proves too much, and might be uſed to ſhew that the country would be no richer if the goods were got for nothing. But this is very prepoſterous. There is nothing parallel in the caſes. When we import goods, we have given ſomething in exchange for them. That exchange determines the profit or loſs, which cannot afterwards be affected by any money profit or loſs amongſt ourſelves. But if we got our goods for nothing, theſe goods would be an acceſſion of wealth. Having got them, their *price* afterwards, could have no influence on the maſs of our riches. The country would be as rich if they were given away, as if ſold for the moſt exorbitant ſum.

Mr. Mill next gives us another view of the mode in which, according to his ideas, commerce of import enriches a nation. It enriches it, he obſerves, when we export goods which have coſt us a certain quantity of food to fabricate; and import in return, goods in the fabrication of which we muſt have expended a greater quantity. Now this ſtatement is a proof of the impropriety of the arrangement in which Mr. Mill has followed me; for we are here told, that we are enriched by the operation of commerce of import, exactly in the ſame way in which I have allowed that we might gain wealth by commerce of export. Mr. Mill and I mean the ſame thing, but, having both improperly ſeparated what is in reality one tranſaction, he has aſſigned an effect to one branch, which I have aſſigned to the other. I do not therefore pretend to controvert this part of Mr. Mill's

reaſoning relative to the manner in which commerce of import enriches us. In ſubſtance, it preciſely agrees with that which I have uſed to ſhew that we may get rich by commerce of export.

The Edinburgh Reviewer, whatever want of candour he may manifeſt, deſerves the credit of the greateſt correctneſs on this ſubject. Shutting his eyes to the fact, that I really have, under the head of commerce of export, conſidered it as combined with commerce of import, he ſays that he thinks if I had attempted to ſhew that commerce of import is profitable, and commerce of export is not, I ſhould have had a more hopeful taſk in hand, than in aiming to prove the reverſe of this propoſition. He then proceeds to inform us, how it is that commerce of import (or rather commerce in general) does enrich us. When the exporting merchant, he ſays, ſells abroad for £. 60, what coſt him at home but £. 30, and with the £. 30 profit, buys goods which he imports, theſe commodities are the national profit. (p. 439.) To this ſtatement I moſt aſſuredly ſhall not object, for, like the ſtatement of Mr. Mill, it is in every reſpect the ſame with that which I have employed to ſhew the creation of wealth by commerce of export. The mere difference between us, is, as before, that the Reviewer conſiders the profit of commerce to be derived from one branch, and I from another. Indeed, it is not eaſy to account for the Reviewer's ignorance that I had actually uſed the very ſame reaſoning as his own, on this ſubject. After ſpending ſeveral pages in proving, that it is not by a balance of gold and ſilver that our trade enriches us, I obſerve (p. 57.) that we muſt receive the profits of our export commerce, in vendible commodities of other kinds; and I inſtance the caſe of a merchant ſelling £. 800 worth of woollens in Portugal for £. 1000, and importing the profit in wine.*

As

* The above is not the only inſtance of wilful miſconception in the Reviewer. Some other of his comments on my pamphlet, though

As to the mode, therefore, in which commerce creates wealth, where it does create it, no difference exiſts between us. The three contending parties admit, that a nation derives wealth from its commerce, by the profit which it receives upon its exported articles, in the ſhape of imported commodities.

Our

---

though not directly connected with this part of the ſubject, deſerve to be pointed out as glaring examples of that intended diſtortion of an author's ſtatements, in which it is to be lamented the writers in this Review too often indulge.—Becauſe, in ſtating it to be abſurd to give to our commerce the credit of paying the taxes which are levied at the Cuſtom Houſe and Exciſe Office, on articles imported, I had corroborated the reaſoning by which I endeavour to ſhew that the home conſumer pays all ſuch duties, by arguing that he might pay even greater duties, if he ceaſed to conſume theſe articles altogether:—the Reviewer, perverſely ſhutting his eyes to the obvious circumſtance, that the latter ſuppoſition is an illuſtration merely, goes on to oppoſe it as though I had actually adviſed that government ſhould call upon the people in the ſhape of taxes for all the money now expended in ſugar, tea, &c.! (p. 443.) If the Reviewer had really meant to controvert my poſition on this point, he ſhould have ſhewn that the duties on tea, wine, &c. are finally paid by the importers of theſe articles, and could not be raiſed if we were to ceaſe to import them. The contrary of this, is alone what I have maintained.—The Reviewer has kindly adviſed me to read and digeſt Hume's Eſſay on Commerce. I ſhould have no objection to follow his counſel, if I conceived it called for; but, in return, I would beg to adviſe him, (though I fear in vain) to read and digeſt the books he attempts to review, and in future to refrain from indulging his wiſh to render his Review diverting and ſaleable, by commenting upon the ſuppoſititious illuſtrations of his authors, as though they were poſitions really maintained by them.

Another of his unfair and perverted comments, is upon my argument, that Sir Richard Arkwright could not have got rich if he had ſpent all his gains in tea, ſugar, &c. to be uſed by *himſelf*. Though I expreſsly uſe the latter reſtriction, the Reviewer perſiſts in underſtanding me to maintain, that he could not get rich if his *capita* had been expended in raw cotton, flour, tea, ſugar, &c. for his workmen. But what an egregious miſtatement is this! What

 poſſible

Our controverſy, then, merely relates to the amount of wealth derived by Britain from her commerce, which I eſtimate at a much lower rate than my opponents.*

On what ground, then, do I deny that our wealth is to be attributed to our commerce? On this: That our imports, to a much greater amount than the value of the profits of our exported articles, have been always commodities

---

poſſible parallel is there between the caſe of a manufacturer ſpending his gains in tea, wine, and ſugar, for his *own* conſumption, and of one ſpending his gains in raw materials, and the wages of his labourers, which are all returned to him?

The laſt of his garbling miſtatements that I ſhall attend to, though far from being the only one remaining, occurs in his obſervations on the reaſoning employed by me to ſhew that we do not derive wealth from our commerce with the Eaſt Indies. (p. 443.) On this ſubject I obſerved, 'The only way in which any national 'profit could be drawn from our Eaſt India territories, would be 'from taxes levied upon the inhabitants there, and tranſmitted to 'England. But it is well known that the Eaſt India Company's 'expences, far exceed any territorial revenue which they derive from 'their unwieldy dominions; ſo much ſo, that they are already up-'wards of thirty millions in debt, which, in all probability, the 'nation will very ſhortly have to take upon its own ſhoulders' (p. 95.) The Reviewer quotes the former part of this paſſage, and, without making the ſlighteſt attempt to contradict the latter clauſe, aſſerts, that we really do gain wealth by taxes levied upon the inhabitants of the Eaſt Indies, and tranſmitted to England in goods. What groſs ignorance or wilful blindneſs muſt have beclouded the faculties of the Reviewer when he made this aſſertion! Did he not previouſly know that the Eaſt India Company, ſo far from having any ſurplus of taxes to remit to England, are forced even to borrow money to pay the balance of their annual expenditure? And if he diſbelieves that this is the caſe, ought he not to have told his readers, that it was on this ground I built my argument, and then have given his reaſons to diſprove it?

* The arguments of Mr. Mill, from page 41. to 45. of his "Anſwer," in oppoſition to my doctrines on this point, are employed in refutation of reaſoning which in the two firſt editions of my pamphlet I acknowledge was confuſed and not ſufficiently preciſe. But as I have corrected this fault in the ſubſequent editions, he certainly

modities of the moſt periſhable deſcription, which for the moſt part are conſumed in the year in which they are received, leaving not a trace behind; and which, ſo far from being neceſſary even to comfortable exiſtence, are generally poſitively injurious. I have not, be it obſerved, intended to deny, that we do annually derive an acceſſion of wealth of ſome deſcriptions from our commerce—I have not denied, that by means of commerce, we have more tea, wine, brandy, and tobacco, than we ſhould have without it. I have merely contended, that our preſent riches have not been derived from commerce, and that our proſperity and power, and that part of our wealth which is really of value, would ſuffer no diminution from its loſs. On this point I am ready to admit that my language has not always been ſufficiently preciſe. I have in ſome places appeared to maintain, that our annual ſtock of wealth of all kinds is not increaſed by commerce. But if the context be referred to, it will be obvious that this was not my meaning. Thus, I ſay, "*We do, it is allowed, gain annually* a "few millions by our export trade, &c." (p. 60.) The poſitions, then, which it was my aim to enforce, and which I am now about to defend, are, That the wealth which we do derive from our commerce, is of little real value,—that our preſent riches are not to be attributed to commerce;—and that we might as much abound in all that wealth which really contributes to proſperity and power, without commerce as with it. On each of theſe poſitions it will be neceſſary to dilate; noticing, as

---

certainly cannot expect me to combat in favour of poſitions which I never really meant to hold, and in by far the greater number of copies of my work have not even impliedly maintained. Indeed, as Mr. Mill had the corrected edition before him, previous to the publication of his reply, it would have been no great ſtretch of liberality, if he had admitted in one of the many notes which he ſubjoined in conſequence of that edition, that his reaſoning on thoſe pages had no reference to its amended argument.

as I proceed, the objections which they have called forth.

1. I contend, that the wealth which we do derive from our commerce, is in reality of little value.—Although it is undeniable, that the term "wealth" includes every thing which man defires, to me it appears equally indifputable, that the intrinfic value of different fpecies of this wealth, is very different from their nominal or money value. A diamond may be worth, that is, fell for, 20,000 quarters of wheat; but it feems abfurd to fay that the intrinfic value of the latter is not vaftly greater than that of the former. The one will feed 10,000 perfons for a year: the other is a mere bauble for the eye. If, then, articles have a nominal and an intrinfic value, it will follow, that the nation which receives the profit of its commodities in articles of intrinfic value, will derive from trade far more of what beft deferves the name of wealth, than another nation, which receives its profits in articles of fictitious value only; even though the nominal amount of the profits of both were the fame. Thus, fuppofe two nations gained each a profit of five millions from its trade; the one receiving its profits in corn, the other in diamonds for its own ufe only: would not any unprejudiced perfon allow that the wealth gained by the former, was of far more value than that gained by the latter? Applying this mode of reafoning to our own cafe, I maintain, that the wealth which we derive from our trade is of very fmall real value, whatever may be its nominal amount, becaufe it confifts of articles no way neceffary, but, on the contrary, many of them highly prejudicial, to human exiftence. Laying afide a circulating medium, the profit of our commerce is not ten millions of pounds fterling, but fo many thoufand chefts of tea, fo many thoufand pipes of wine, fo many thoufand hogfheads of tobacco, &c. &c. Now, of what value is this wealth, either to the people, confidered individually, or to the nation collectively?

First,

First, as to the inhabitants, individually conſidered.—Of what real value to them are the four or five millions of pounds worth of tea, which we buy with the profits of our European trade? This weed affords us no nouriſhment; it does not enable us to fight better—to work harder; it does not feed us, or clothe us. On the contrary, it has perceptibly debilitated us. From a race of nervous heroines, fit for all the active duties of life, our wives and daughters have degenerated by its uſe, into a race of invalids, who ſhiver at a breeze and ſtart at a ſpider. Its tempting ſtimulus induces our poor to expend in it, the money which ought to buy beef and bread for their families; and the mother muſt indulge herſelf in tea, thouh the children in conſequence become ſcrofulous by eating potatoes.—What again is the real value of the three or four millions worth of our profits received in wine and ſpirits? Theſe enticing ſtimuli embitter and ſhorten, perhaps by one half, the days of two-thirds of our population. Our men of fortune have to thank them for gout, dropſy, and a thouſand other ailments. And our poor, drinking large draughts of liquid fire daily, at the dram ſhops, become ſpeedily debilitated; drag on a wretched exiſtence only by the help of opium,* and from neceſſity cloſe their ſhortened lives in the workhouſe.—It would be tedious though eaſy to run through a long liſt of imported luxuries in this way: but, without carrying the enquiry farther, how, I aſk, can the wealth derived from our trade, conſiſting of articles of this deſcription, be regarded as intrinſically of any great value? Where

* It is a truly melancholy reflection, that in the uſe of this drug, we threaten ſpeedily to equal the Turks. From very good authority, I know that in moſt large towns the druggiſts will each ſell, annually, 30 to 40 pounds weight of opium, in pennyworths, to poor people, who take it conſtantly as a ſtimulus, and keep increaſing the doſe till their death. Many of them, before this event occurs, are obliged to take 4*d.* and 6*d.* worth a day!

would be the vaſt injury ſuſtained by ſociety, if the deſtruction of our trade were to induce the loſs of profits ſuch as theſe?—But my opponents will ſay, that we are the beſt judges of what we regard as wealth; and as we eagerly purchaſe theſe luxuries, they are as valuable to us as any other deſcription of wealth. This, however, I muſt deny. Men are not always the beſt judges of what ſorts of wealth are of moſt value to them. If ſo, the trade which the American Indians carry on, in exchanging peltry for ſpirits, by which they are on the point of being exterminated, is of value to them. But who will contend this?

Secondly, the wealth which we derive from our commerce is of ſmall value, conſidered with reference to the wants of government. If the profits of our trade were received in corn or woollens, the ſtate might appropriate a portion of theſe to the feeding or clothing an army, or the fulfilment of other neceſſary purpoſes. But could the government feed men with tea, or clothe them with tobacco, and wine, and brandy?—It may be ſaid that a quantity of theſe articles might be appropriated by the government, and exchanged for others more neceſſary. But this very ſuppoſition admits the ſmall importance of our commerce; for ſuch an exchange preſuppoſes the prior exiſtence in the country, of thoſe things eſſential to the ſtate; which might have been acquired, therefore, without the intervention of any portion of the profits ariſing from trade.

But there is another view of the ſubject, which greatly diminiſhes the value of the wealth derived from our commerce. The amount of our imported articles of a luxurious and periſhable nature, greatly *exceeds* the amount of any profits we can be ſuppoſed to gain by commerce. We cannot reckon our gains of this deſcription at more than ten millions; but we import to the amount of more than twenty millions of tea, ſugar, wine, &c. If, therefore, the arguments have any weight, by

which

which I have endeavoured to ſhew (p. 57.) that of two nations, if one exchanged its hardware, value £. 10,000, for the wine of the other, value £. 12,000, the latter would really be the gainer, on account of the ſuperior durability of its manufacture; it will follow that we cannot be acquiring riches by exchanging woollens, hardware, &c. for wine, tea, &c. But, my opponents ſay, it would be prepoſterous to accumulate ſuch articles as theſe which are ſuperfluous to us. Now I deny that our exported woollens and hardware, and many articles of a ſimilar deſcription, are ſuperfluous. There has been no year ſince the commencement of our trade, in which the poor of this country would not have gladly found uſe for all the woollens that have been exported. A few additional blankets, and a Sunday coat for the males of each family, would have gone far in exhauſting our exported bales. And can we pretend that woollens, and pots and pans are our ſuperfluities, when there are nearly a million families in Ireland with ſcarcely a blanket to defend their limbs from the night blaſts which ruſh through the chinks of their mud hovels, or a pot or a pan in which to boil their potatoes? When we ſpeak of articles being ſuperfluous to a nation, we ought not to have reference to the rich only, but to the maſs of ſociety; and in this view, I deny, that the bulk of our exports are ſuperfluities of which we have no need.—It will be ſaid that the poor alluded to, do not poſſeſs the means of purchaſing the goods in queſtion: and this I admit; but this circumſtance does not alter the caſe. If the population would be richer if the neceſſary goods which we export, were *given* to them, inſtead of being exchanged for unneceſſary luxuries, it will not be eaſy to make it out that we are greatly indebted to commerce for our riches.

2. I contend, that our preſent wealth is not to be attributed to our commerce; that we have not now in exiſtence any portion of the wealth which we may have derived from it. This I inſiſt upon, becauſe of the pe-

culiarly fugitive and periſhable nature of the wealth which we have at different periods drawn from trade. The woollens which the Americans derive from us as the profit of their trade, decorate their citizens as Sunday coats for years; the axes, the knives, the ſtoves with which we ſupply them, may endure for half a century. But where is the tea, the wine, the tobacco, in which the profits of our trade have conſiſted?—As I have ſtated my opinions on this head very fully in another place, I ſhall here only elucidate them further, by adverting to the arguments by which they have been oppoſed.

Mr. Mill's firſt objection is urged very triumphantly. He ſays, that it is a glaring inconſiſtency in an author who values agricultural produce ſo highly, to eſtimate other commodities according to their durability; ſeeing that food is of all things moſt periſhable. But this objection is extremely futile, and eaſily anſwered. The reaſon why food, though ſo periſhable, is of all wealth moſt valuable, is, that it is abſolutely neceſſary to ſupport life, and that in fulfilling that deſtination, it may be tranſmuted into wealth of the moſt durable deſcription. If Mr. Mill can ſhew me that tea, or wine, or tobacco, are endowed with theſe properties, I will no longer quarrel with their want of durability.

The ſecond objection advanced by Mr. Mill againſt this doctrine, is, that it is inconſiſtent to recommend conſumption and luxury as favourable to the proſperity of the ſtate, and yet to argue againſt the utility of commerce, by objecting to the importation of articles of luxury. Here, as in ſo many other places, the inconſiſtency is of Mr. Mill's creation. None in reality exiſts. I do not regard the luxuries of commerce as neceſſary to ſtimulate agriculture, becauſe I believe that luxuries in ten thouſand ſhapes ſufficient for this purpoſe, may be found at home.—But Mr. Mill is incorrect in ſuppoſing that I dwell on the luxuries of our commerce to prove that it is of no *utility*. My argument is not to diſprove

the

the utility, but the creation of wealth by commerce. Again, I muſt beg to be allowed to conſider theſe two qualities as completely diſtinct. A branch of induſtry may be very uſeful and extremely deſirable, and yet not create wealth.

Mr. Mill then goes on to obſerve, that the only diſtinction of importance between one ſort of commodities and another, is that between commodities deſtined to ſerve for immediate and unproductive conſumption, ſuch as luxuries; and thoſe which are deſtined to operate as the means or inſtruments of production, ſuch as the materials of manufactures, iron, cotton, &c. As Mr. Mill allows that this diſtinction is important, I would beg him to calculate what proportion of our imports are of the former, and what of the latter deſcription. The former, I conceive, he will find to preponderate in the ratio of 4 to 1. But Mr. Mill proceeds to ſay, 'it ſeems a 'conſideration of very trifling importance, whether arti-'cles deſtined for immediate and unproductive conſump-'tion are ſuch as are likely to be all uſed in the courſe 'of one year or of ſeveral years.' (p. 78.) This very curious aſſertion, any one of Mr. Mill's female friends will refute. Let him aſk one of them, why ſhe buys a Turkiſh carpet in preference to an Engliſh one at a lower price; why ſhe buys India muſlins before Britiſh; and ſhe will tell him, becauſe they will *laſt longer*. In truth, to ſay that durability in manufactures, other things being equal, is not deſirable, is prepoſterous. Would Mr. Mill think his tables and chairs as valuable as they are now, if they broke down after a fortnight's uſe? Would he wiſh that the ſervice of a ſuit of clothes ſhould finiſh with the day he put it on? Or would he knowingly give as much for a copy of Dr. Smith, which being bleached with oxymuriatic acid, would probably crumble to pieces in a few months, as for one on ſubſtantial paper that would bear thumbing for half a century?

Mr. Mill next adduces the paſſage in which I have contended that a nation manufacturing annually ten thouſand pounds worth of hardware, would be richer than one manufacturing annually wine to an equal amount; and he charges me with 'ſimplicity' in inſtancing the very example which Dr. Smith has brought forward to prove a contrary doctrine. Now what will the reader think of Mr. Mill's candour, when he learns, that I had actually alluded to this very paſſage of Dr. Smith, in a note to the third edition of my pamphlet, which Mr. Mill had before him; and had ſhewn that Dr. Smith's reaſoning on this point, was utterly at variance with his ſentiments in other parts of his work? If my ſilence, in the two firſt editions of my work, relative to Dr. Smith's opinion on this point, gave Mr. Mill cauſe to ſuppoſe me ignorant of it, ſurely it would have been no great ſtretch of ingenuouſneſs, had he confeſſed his error in one more note ſuperadded to the many which the third edition has called from him. But as Mr. Mill has not thought proper to notice in the ſlighteſt manner the fact that Dr. Smith has, in ſome parts of his work, maintained opinions preciſely ſimilar to mine relative to the different effects which expenditure in durable and periſhable commodities will have upon national wealth, I ſhall beg permiſſion to direct his attention to theſe paſſages ſomewhat more particularly; and when he learns the opinions of his oracle upon this ſubject, he may not, perhaps, deem them ſo very abſurd.

The place in which Dr. Smith adverts to this ſubject, to which I ſhall firſt attend, is the third chapter of his ſecond book towards the cloſe. After obſerving that frugality increaſes the public capital, that prodigality diminiſhes it, and that the conduct of thoſe whoſe expence juſt equals their revenue, neither increaſes nor diminiſhes it, he ſays—'Some modes of expence, however, ſeem to contribute more to the growth of public opulence than others.' He then continues, 'the re-

'venue

'venue of an individual may be ſpent, either in things 'which are conſumed immediately, and in which one 'day's expence can neither alleviate nor ſupport that 'of another; or it may be ſpent in things more *durable*, 'which can therefore be accumulated.' And he judiciouſly adds, that of two men of fortune, if one expend his income in keeping a profuſe table, and in maintaining ſervants, dogs, and horſes; and the other in uſeful and ornamental buildings and furniture, in books, ſtatues, pictures, or even fine clothes, the latter would at the end of a given period be much the richer man of the two. He then infers, 'As the one mode 'of expence is more favourable than the other to the 'opulence of an individual, *ſo it is likewiſe to that of a 'nation.* The houſes, the furniture, the clothing of 'the rich, in a little time become uſeful to the inferior 'ranks of people. They are able to purchaſe them 'when their ſuperiors grow weary of them, and the 'general accommodation of the whole people is thus 'gradually improved, when this mode of expence be-'comes univerſal among men of fortune.' And he proceeds to give ſeveral other ſtriking reaſons for preferring an expence in durable to one in periſhable commodities. Now if the doctrine which I have maintained on this ſubject be, in the eyes of the Edinburgh Reviewer and Mr. Mill, ſo very abſurd, it is to be hoped they will allow that their great maſter, whoſe every word is with them goſpel, has been guilty of as great abſurdity. Where is the difference between the two doctrines? I have ſaid that a nation employing its manufacturers in fabricating durable articles (inſtancing hardware merely as an example) will be richer than if it had employed the ſame number in manufacturing wine. So ſays Dr. Smith: and before Mr. Mill can ſatisfactorily controvert the truth of this poſition, he muſt overturn not only my arguments, but the arguments of this celebrated Political Economiſt.

But

But Dr. Smith approximates ſtill more cloſely in another place, to the line of argument which I have adopted on this head. In the ſecond chapter of his ſecond book, ſpeaking of the mode in which the ſurplus gold ſet at liberty in any nation by the employment of a paper circulating medium, would be employed, he ſays, 'If 'they employ it in purchaſing foreign goods for home 'conſumption, they may either firſt purchaſe ſuch goods 'as are likely to be conſumed by idle people who pro-'duce nothing, ſuch as *foreign wines, foreign ſilks,* &c. 'or, ſecondly, they may purchaſe an additional ſtock 'of materials, tools, and proviſions, in order to main-'tain and employ an additional number of induſtrious 'people, who reproduce, with a profit, the value of 'their annual conſumption. So far as it is employed in 'the firſt way, it promotes prodigality, increaſes ex-'pence and conſumption, without increaſing produc-'tion, or eſtabliſhing any permanent fund for ſupporting 'that expence, *and is in every reſpect hurtful to the 'ſociety.*' Now we know very well, and ſurely neither Mr. Mill nor the Edinburgh Reviewer will deny it, that Dr. Smith regards gold and ſilver in preciſely the ſame light with other commodities. In his eyes a quantity of theſe metals is not a whit more valuable than a quantity of hardware which could be ſold for the ſame ſum. But Dr. Smith ſays, that if a nation employs its ſuperfluous gold and ſilver in purchaſing conſumable luxuries, ſuch a traffic 'is in every reſpect hurtful to the com-'munity.' On every principle of fair reaſoning, then, muſt he not have allowed that it is equally hurtful to the ſociety to expend its ſurplus hardware in ſuch commodities? This is juſt what I have contended, and the caſes are preciſely parallel. It is nothing to me that Dr. Smith's argument in another place, is directly oppoſed to this. Such a circumſtance only proves, that this great man was ſometimes at variance with himſelf; and when this is the caſe, his readers ſurely have a right to adopt

that

that argument which to them appears moſt weighty And at all events, the diſciple who embraces one poſition, has no right to fling the authority of his maſter in the teeth of an opponent who inclines to the oppoſite ſtatement; and to charge him with ignorance of the doctrines of the ſect.

After this unfortunate ſpecimen of the univerſality of Mr. Mill's acquaintance with the opinions of Dr. Smith, he favours us with the following notable paragraph: 'In 'fact nothing can well be more weak than to conſider the 'augmentation of national riches by the accumulation 'of durable articles of luxury, as a conſideration of 'moment. The value of the whole amount of them in 'any country is never conſiderable, and it is evident 'that whatever they coſt is as completely with-'drawn from maintaining productive induſtry, as that 'which is paid for the moſt periſhable articles. Mr. 'Spence has an extremely indiſtinct and wavering notion 'of national wealth. He ſeems on the preſent occaſion 'to regard it as conſiſting in the actual accumulation 'of the money and goods which at any time exiſts in 'the nation. But this is a moſt imperfect and erroneous 'conception. The wealth of a country conſiſts in her 'powers of annual production, not in the mere collection 'of articles which may at any inſtant of time be found 'in exiſtence. The only part, it is evident, of the ex-'iſting collection of commodities which in any degree 'contributes to augment the annual produce, the per-'manent riches of the country, is that part which ad-'miniſters to productive labour; the machines, tools, 'and raw materials which are employed in the different 'ſpecies of manufacturing and agricultural induſtry. 'All other articles, whether durable or periſhable, are 'loſt to the annual produce, *and the ſmaller the quantity 'of either ſo much the better.*' (p. 51.) In commenting upon this, I muſt in the firſt place obſerve, that it is not the accumulation of durable articles of *luxury* merely

but of durable articles of every deſcription, which, I contend, will augment the national riches. Secondly, except it be an indiſtinct and wavering notion of a man's wealth to regard his houſe, his equipage, and his furniture, as forming a portion of his wealth, as well as his annual revenue, I cannot felicitate Mr. Mill on the accuracy of his eſtimate of my opinions. When I talk of the wealth of a nation, I include its land, roads, canals, houſes, ſhips, and goods of all deſcriptions, as well as 'its powers of annual reproduction;' and I am much miſtaken if this will not be found a more juſt conception than that which fixes the view upon the latter merely. Does Mr. Mill really think that the articles juſt enumerated, the value of which Gregory King a century ago eſtimated at 650 millions, form no portion of the wealth of Britain? If ſo, and certainly his obſervations warrant the ſuppoſition, we have reaſon to congratulate him on the diſtinctneſs and ſteadineſs of *his* notions as to what conſtitutes national wealth. But Mr. Mill's extraordinary paſſion for commodities that adminiſter to productive labour, is moſt worthy of note. That theſe are in general more valuable than the articles which they create, is a poſition that I do not mean to diſpute; but I muſt confeſs I am ſomewhat ſtartled to be told, that 'of all other articles, whether 'durable or periſhable, the ſmaller the quantity the 'better.' So, then, Mr. Mill really thinks that it would be better if all the houſes, and coaches, and tables, and chairs, and clothes, and furniture of all deſcriptions in the kingdom, were burnt to-morrow! All theſe are loſt to the annual produce, and as, therefore, according to him, 'the fewer of them the better,' he doubtleſs thinks a general conflagration from one end of the kingdom to the other, which ſhould clear it of every thing but the articles adminiſtering to productive labour, would be very deſirable! Marvellous accuracy of conception this, to be ſure! Well may Mr. Mill

charge

charge his opponents with 'weakneſs' and 'inconſiſtency', 'unſteadineſs' and 'perverſity.'

It is unneceſſary to waſte many words in refutation of an inſtance adduced by Mr. Mill in ſupport of his notions on this ſubject. He ſays that it would be little better to import durable trinkets than volatile perfumes. This, is truly, as he obſerves, an argument to the ignorance of his readers. Who adviſed the ſubſtitution of trinkets for perfumes? Or who, indeed, would deem it worth while to adviſe any thing at all, about articles ſo trifling? What have they in common with tea and wine in which we annually ſpend eight or ten millions? Could nothing but durable *luxuries* be imported in the place of theſe articles?—But here, again, Mr. Mill is miſapprehending me. I do not object to the importation of theſe articles. I merely aſſert that we do not accumulate riches by importing them: and ſo I ſhall aſſert until Mr. Mill can ſhew me the houſe, the bridge, or the manufacture of anykind which we have created by their uſe. When he can ſhew me that any the ſmalleſt portion of our exiſting riches, is to be attributed to the hundreds of millions that we have expended in theſe articles, I ſhall admit the importance of the commerce which acquires them. But as, in the caſe of a man poſſeſſed of landed property to the amount of 120 thouſand a year, and carrying on alſo a manufacture the profits of which amounting to ten thouſand a year, he expended in wine, tea, tobacco, &c; I ſhould feel but little inclined to conſider him dependent on his manufacture, or to pity him if uncontroulable events were to deprive him of it; ſo, in the inſtance of Britain, I muſt perſiſt in my conviction that it can be of very ſmall importance to her, whether ſhe have ten millions worth of tea, wine, and tobacco, while ſhe has a permanent and indeſtructible revenue of twelve times as much, compriſing every thing neceſſary to comfortable exiſtence.*

* Several of the charges urged againſt me by Mr. Mill, he has brought

Of Commerce as a Stimulus to Agriculture.

MANY of thoſe who have admitted the force of the arguments by which I have endeavoured to ſhew the ſmall

---

brought forward in notes tacked to his main arguments. Theſe are for the moſt part ſo futile, that I notice a few of the chief of them here, only that he may not conceive I regard them as more unanſwerable than the reſt of his treatiſe.

To his note at page 35, accuſing me of 'unſteadineſs' in expreſſing pity for thoſe who are deprived of the goods which they import from us, while I deny that import commerce enriches; I anſwer, by aſking him, if I may not be allowed to regard the loſs of import commerce as injurious to *ſome* ſtates, by reaſon that its loſs muſt neceſſarily induce the loſs of their export commerce, which does create a part of their wealth? Beſides, I muſt again inſiſt on being permitted to make a diſtinction between wealth and convenience; and to deem a branch of commerce of vaſt importance on the ſcore of utility, while I value it low as a ſource of wealth.

In reply to his note at page 41, I would requeſt him to allow me to form my own rule as to deducting or not, the charge of inſurance from the profit of the exporting merchant. If I had included that charge, I ſhould have eſtimated this profit not at 20 but 15 per cent.

At page 57, Mr. Mill is able to amuſe himſelf with contraſting my opinion, that a ſubdiviſion of land would tend to augment the proſperity of a country, with an aſſertion in another place, that the diviſion of land is the bane of increaſe of national wealth.—This objection Mr. Mill would have ſpared himſelf the trouble of making, if he had choſen to permit me to diſtinguiſh between the wealth and proſperity of a ſtate. He does not think fit to make ſuch a diſtinction. I do: and in this point of view, though I have not the ſlighteſt doubt that our cuſtom of conſolidating ſeveral ſmall farms into one large one, has increaſed the ſurplus produce, the diſpoſable *wealth* of the country, I have little heſitation in believing that this ſyſtem has greatly diminiſhed the *proſperity* of an important branch of the community. The 20 families which were formerly maintained on 20 farms of 50 acres each, were ſurely more proſperous

ſmall importance of commerce to this country as a ſource of wealth, have yet contended that I ought conſiſtently to have eſteemed it more highly as a ſtimulus. They think that an author who has ſo expreſsly inſiſted upon the neceſſity of manufactures for home conſumption, for the purpoſe of encouraging agriculture, ſhould have admitted alſo, the importance of commerce in this view. Mr. Mill has introduced this objection not ſo much directly, as in the ſhape of a dexterous ſubſtitution of the term commerce in lieu of manufactures, in ſpeaking of my admiſſions as to the importance of the latter. (See p. 55 and 63.) And in a note, he ſays, he cannot conceive what difference can exiſt between manufactures for home conſumption, and for exportation, as to their influence in promoting agriculture. But the moſt ingenious arguments that I have ſeen in ſupport of this objection, have been brought forward by Dr. Randolph, in his "few obſervations on the preſent ſtate of the nation." It is the latter, therefore, which I ſhall have chiefly in view in what I am about to urge on this point; and while I profeſs to remain unconvinced of any inconſiſtency in my opinions, I cannot refrain from expreſſing my ſenſe of the candid and diſpaſſionate manner in which Dr. Randolph has oppoſed me.

It is neceſſary to begin by obſerving, that I never meant to deny that commerce *has* contributed indirectly to the encouragement of agriculture. But ſurely it does

---

perous, enjoyed more independence, more domeſtic happineſs, and all that is moſt deſirable to man; than now, when five of the families, as the ſervants of a maſter, can cultivate the ſame land thrown into one great farm of 1000 acres, and the remaining 15 families are crowded in the wretched cellars of Mancheſter or Birmingham immerſed in dirt, and miſery. Yet the latter ſyſtem is moſt conducive to the augmentation of national wealth.—But when will Mr. Mill learn, that *wealth* is not the object to the acquiſition of which alone, nations ſhould attend?

not follow from this admiſſion, that it is *now* neceſſary for this end. The ſtimulus of bark may be very uſeful in driving off an ague; but when once this effect is accompliſhed, what neceſſity is there for continuing the medicine? So, although the influence of commerce may have contributed to augment the effect of manufactures for home conſumption, in encouraging agriculture, it by no means follows, that this influence is now neceſſary, and that the latter alone are not fully adequate for the purpoſe aſſigned them. It will be recollected, that the great value which I place upon manufactures, conſiſts in their operation in encreaſing the proſperity of the community, by offering an incitement to the cultivators to ſpend the revenue which they derive from the ſoil. If, therefore, the ſame temptation can be held out without the intervention of foreign commerce, there exiſts no neceſſity for it. It may have contributed to our more ſpeedy releaſe from the thraldom of the feudal ſyſtem, and its continuance may on many accounts be deſirable; but our cultivators having acquired a taſte for novelty and expence, which they *will* gratify in home commodities if they are unable to procure foreign commodities, all the benefits which *have* accrued from commerce may now be acquired without its aid.

In oppoſition to the reaſoning by which I have ſupported this poſition, Dr. Randolph urges, that " the home market is ſupplied to the fulneſs of its demand before exportation takes place; and the conſumption of luxuries fabricated in our own country, has gone as far as convenience, faſhion, taſte, or caprice chooſes to carry it." He then infers, that the continuance of commerce is neceſſary to exchange the ſurplus of our manufactured articles, for luxuries of various deſcriptions, and he contends that it would be of no moment if theſe luxuries were as volatile as Nitrous Oxide, as they would have fulfilled their deſtination in ſtimulating to exertion and the promotion of agricultural improvement.——The ingenious

genious author, throughout his reaſonings, takes for granted what I conceive to be a fallacy. He ſuppoſes that if commerce were to ceaſe, the luxuries which it ſupplies, or ſuccedanea for them, could not be procured at home; that the cultivators could not then find objects on which to expend their revenue; and that, conſequently, a large proportion of the manufacturing claſs muſt ſtarve or be ſupported by charity.—Now to ſhew how little ground there is for theſe concluſions, let us ſuppoſe that our foreign commerce of every deſcription were entirely to ceaſe; and let us then run over a few of the more important articles with which it now ſupplies us, and inquire whether it be likely that the population of this country would not demand ſome ſubſtitutes for them, and whether it would not be eaſy to furniſh ſuch.

The moſt valuable of our imports is *ſugar*.*—Is it at all likely that thoſe whoſe palates have once been gratified with this delicious ſubſtance, and who have the means of paying any price for it, would voluntarily give up its uſe, if there were a poſſibility of procuring it at home? Now commerce is not eſſential to procuring this luxury. Sugar may be extracted from the beet root, from carrots, and other vegetables, beſides the ſugar cane, and at a coſt, too, not greatly exceeding what the price of Weſt India ſugar ought to be. Mr. Adams ſaw a loaf of ſugar at Hirſchberg in 1800, which had been manufactured from beet root, and coſt only twice as much per pound as Weſt India ſugar.† If, therefore, no ſugar could be had from abroad, can it be doubted that capital would be inveſted in producing it at home? If a rich landholder could not purchaſe it for one ſhilling

* I am aware that ſugar and colonial produce in general, ought not ſtrictly to be deemed objects of foreign commerce; but as they are always conſidered ſuch, in the eſtimate of our imports, it is not poſſible to make the proper diſtinction on this point, in a work of this nature. Beſides, I am now arguing on the ſuppoſition of the *loſs* of our colonial trade.

† "Travels in Sileſia," page 126.

a pound,

a pound, would not he willingly give 3s or 4s., rather than be without it; and would not this demand infallibly be ſupplied? And with reſpect to the poor, would not 20,000 men be as well employed in the healthy occupation of cultivating beet root, and 20,000 more in manufacturing it into ſugar, as 40,000 are now in weaving cottons and hammering hardware for the purpoſe of exchanging for this luxury? And would they not thus as readily draw their ſubſiſtence from the landowner, and as much promote agriculture? The only difference in reſult between the direct and round-about production of ſugar, would be, that leſs of it would be enjoyed for the ſame coſt. This would be the extent of the evil.

Another of our imports to the amount of two millions annually, is *wine*. Can it for a moment be imagined, that the ceſſation of the importation of wine, would be the ſignal for the ceſſation of its uſe? But how procure it? it will be ſaid. I anſwer, without the ſlighteſt difficulty. Sugar and fruit of any kind, are all that are eſſential to the production of wine. Even now, many a connoiſſeur has been cheated with gooſeberry wine for Champaigne; and with perry made aſtringent with the juice of ſloes and elderberries, for port. If there were a demand for home-made wines, they would moſt aſſuredly be ſpeedily manufactured in quality equal to any foreign wine, and if wine drinkers deem high price eſſential to good wine, the Exciſe Office would be able to accommodate them in this reſpect. Let it be ſuppoſed, even, that our luxurious *bon vivants* affected to deſpiſe gooſeberry or currant wine, where would be the difficulty in gratifying them with wine made from the grape? Such wine was made, in this country, 600 years ago,* and why might it not again, if a proper ſort of vine were cultivated? And if, after all,

* William of Malmſbury informs us, that in the 12th century, the Vale of Glouceſterſhire produced as good wine as many provinces of France.

the drinker of claret or burgundy muſt have his favourite liquor, the hot-houſe would be reſorted to, and he might be indulged, merely by paying two guineas a bottle where he now pays one. Here again I aſk, if the manufacturers of broad cloth, which we give to the Portugueſe in return for wine, would not be as well employed both for themſelves and their country, in making the wine at once at home?

Tea is another of the luxuries in which we expend five or ſix millions annually. Could no ſubſtitute be found for this exhilarating weed? If we *could* not procure it, is it likely that our females would again betake themſelves to a beef-ſteak for breakfaſt, and a glaſs of ale or a poſſet for their ſocial afternoon's repaſt? Is it not far more likely, that the infuſion of mint, balm, or of ſome other of our native herbs, which require only cuſtom to make them as palatable as tea, and which are now uſed in preference by many, would be ſpeedily adopted by all? Would it not, as an ingenious correſpondent has obſerved to me, be in every reſpect more beneficial, if the ſhips and men now employed in fetching tea from China, were occupied in bringing dried herbs from Ireland? And would it be any thing to be deplored, if a new ſource of occupation, in growing and preparing theſe products, were offered to a few hundred thouſands of the redundant population of our ſiſter iſland?

Silk is a conſiderable article of import; and ſome may think that it would be impoſſible for our females to expend ſo much money as this coſts them, in any other article of dreſs. But are ſuch perſons ignorant, that there are *ſtuffs* at this moment manufactured, more coſtly than any ſilks; and that there is no limit to the value which the manufacturer can confer upon a few pounds of wool or flax? Do they ſuppoſe, that if a dame of faſhion could not diſtinguiſh herſelf from the crowd by ſilken apparel, that ſhe would not be offered the opportunity by the ſtuff manufacturer, or the lace or

cambrick

cambrick weaver, of decorating herſelf with fabrics which no vulgar pocket could reach? And if, at all events, ſhe muſt have ſilk, is there any phyſical impoſſibility of producing it in this country? We can grow mulberry trees and feed ſilk-worms as well as the Italians, only not ſo cheaply.

I might go on in this way inſtancing a thouſand articles imported, but the enumeration would fatigue the reader. I have adduced the principal, and if he feels inclined to extend the liſt, he will find that there is ſcarcely one that might not either be produced at home, or a ſubſtitute for it be found: and he will find, too, that ſo far from there being any reaſon to dread that our manufacturing population could not find employment in the event of loſing our trade, that this very circumſtance would call for more hands than could poſſibly be at firſt ſupplied. And this employment is all that the proſperity of the country, and the encouragement of agriculture, require.

Indeed, the ſuppoſition that the deſires of mankind have any limit—that, if deprived of one object, they will not expend their revenue in ſome other,—is contrary to every juſt view of human nature. The landowners of this country, ſpent their revenue when there was ſcarcely a luxury in exiſtence; and they would continue to do ſo even if they were again obliged to maintain a croud of idle retainers. Nor is this my own opinion merely. Mr. Hume, who will ſcarcely be accuſed of far fetched refinement, after ſtating that commerce is of uſe to a nation by enabling it to emerge from barbariſm, and by extending the power of government over the population and produce of a country, thus continues, ‘ When the ‘ affairs of the ſociety are once brought to this ſituation, ‘ a nation may loſe moſt of its foreign trade, and yet con- ‘ tinue a great and powerful people. If ſtrangers will not ‘ take any particular commodity of ours, we muſt ceaſe ‘ to labour in it. The ſame hands will turn themſelves

‘ towards

'towards ſome refinement in other commodities which 'may be wanted at home. *And there muſt always be 'materials for them to work upon; till every perſon in 'the ſtate, enjoys as great plenty of home commodities, 'and thoſe in as great perfection as he deſires; which 'can never poſſibly happen.*' On this point I regard the authority of this profound political Economiſt as concluſive. The caſe which we are conſidering, he had contemplated, and his deciſion upon it preciſely accords with the opinion I am now maintaining.

Thus then, Dr. Randolph, I truſt, will admit that a ſufficient ſtimulus for the encouragement of agriculture may be had without commerce.—Mr. Mill, too, will allow me, I hope, to diſtinguiſh between manufactures for home conſumption and thoſe for exportation; and without wiſhing to inſinuate, as he ſuppoſes I am deſirous of doing, that there is a difference between them in reſpect to their encouragement of agriculture; I muſt be permitted to contend, that they are not both equally eſſential to national proſperity. Commerce may have ſtimulated agriculture, and it may now ſtimulate it, but it is not *neceſſary* for this purpoſe; and therefore, in this view, as in every other, we are completely independent of it.*

I HAVE

---

* Mr. ARTHUR YOUNG has honoured me with a letter of comments in Mr. Cobbett's Regiſter of the 20th February. Much of its ſubſtance has been replied to in the preceding pages, and the extent to which this pamphlet has already reached, precludes a full conſideration of its arguments; but as connected with the above ſubject, I will here briefly advert to the chief of them.—Mr. Young ſays, that the loſs of one quarter of the commerce of Britain in the American war, cauſed a diminution in the price of grain and wool—in the rent of land—and a conſequent ſtagnation in induſtry of all kinds; and that theſe facts are a ſufficient refutation of my theory.—In reply to this, I would obſerve, in the firſt place, that the mere fact of corn having been low in ſome of the years of the American war, proves nothing. The price of this neceſſary of life

I HAVE now replied to the main arguments with which my principles have been combated. To have adverted minutely to all the objections which have been urged by other writers in numerous periodical journals, would have extended this pamphlet to a tedious and unreaſonable length. I can with truth, however, ſay, that I have not knowingly paſſed over any one of them, which ſeemed to me of the ſlighteſt weight or plauſibility. This examination, haſty as it muſt neceſſarily have been, I flatter myſelf has ſhewn that all theſe objections are founded either upon a miſconception of my arguments and

---

is affected by ſuch a variety of circumſtances, that a much more extenſive adduction of documents than Mr. Young has furniſhed, is neceſſary, before it could be admitted that the loſs of commerce was the cauſe of its diminiſhed price. Indeed, on looking at the *whole* of the table from which Mr. Young has given an extract, (Ann. of Agric. v. iv. p. 391.) I confeſs I can draw no inference whatever from it. In 1771, before the American war broke out, wheat was 5*s.* 10¾*d* a buſhel. In 1777, in the midſt of the war, it was 5*s.* 8¼*d.* a buſhel, and in the following year, when the greateſt falling off in our exports took place, it was ſtill 5*s.* 3*d.* the buſhel, a diminution of only 5*s.* 2*d.* a quarter. The variations in theſe 12 years, therefore, are not to be accounted for by any reference to ſuch a cauſe.

But, in the ſecond place, there are other arguments to prove that the "facts" brought forward by Mr. Young, are not of the ſlighteſt value. He ſays, the loſs of one quarter of our export trade in the American war, occaſioned the diminution of the price of corn. Then the ſame cauſe ought always to produce the ſame effect: yet at the beginning of the laſt war our exports fell nearly in as great proportion (in 1792 they were £. 18,336,000, and in 1793 only £. 13,892,000 official value) and ſtill, in September 1792, the price of wheat was only 5*s.* 6*d.* a buſhel, while in September 1793 it was 6*s.* Thus we have facts producing reſults directly in oppoſition to thoſe of Mr. Young.—But, moreover, Mr. Young is not very correct in aſſerting that the diſtreſs which took place in the American war, was "attributed at that time by every well informed man in the kingdom, to the decline of manufactures and foreign commerce." I can produce him the authority of a man, who,

and concluſions, or on reaſoning far from valid. And the corroboration of the moſt important of the doctrines on which I have inſiſted, which has been gained by an appeal to the authority of modern political Economiſts of acknowledged eminence, will, I truſt, have proved to thoſe who are diſinclined to eſtimate the ſoundneſs of reaſoning on its own merits, but pin their faith on great names, that theſe poſitions are by no means the diſcarded paradoxes which ſome ignorant critics have pretended.

Agriculture, then, in concluding, I think I may aſſume to have proved, is in a pre-eminent and eſpecial manner, the ſource of our wealth and revenue; ſo much ſo, that no other branch of induſtry has a claim to be conſidered as creating our immenſe riches. This it

---

who, whatever may be Mr. Young's opinion of him, I am diſpoſed to think was at that time "well informed," who attributed the then low prices of corn, land &c. to cauſes very different. If Mr. Young will turn to his own "Annals of Agriculture" (vo. i. p 35.) he will find that in 1789 he *himſelf* gave it as his opinion, that theſe ſymptoms of diſtreſs were *ſolely* owing to an impeded circulation, ariſing from the transfer of the great loans negotiated by the treaſury, from their uſual channels of employment. His own words are, '*To this want of circulation was almoſt ſingly owing all the diſtreſs we experienced from the war.*' He does not even allude to the loſs of commerce as a cauſe of the evil; and indeed to ſuch an evil, ſpringing from what Mr. Young terms "a deplorable want of money," this loſs muſt have been an alleviation; as it muſt have thrown, as it now does, a great maſs of unemployed capital into the money market —Thus Mr. Young has himſelf afforded the refutation of all his concluſions on this ſubject.

But though I deny the accuracy of Mr. Young's data, their undoubted truth would not in the ſlighteſt degree affect the ſtability of my poſitions. I have never denied that conſiderable inconvenience would enſue from the ſudden changes which a total or partial loſs of commerce muſt require; and hence (I muſt repeat it for the hundredth time,) I have never adviſed a voluntary renunciation of it: but it by no means follows that any conſequent depreciation in the price of grain or of land, would have ſuch an operation on the national proſperity, as to prove that commerce is eſſential to us.

it is, and this alone, which enables us to maintain an army and navy ſo extenſive, to pay taxes ſo enormous, and to support ſo large a body of manufacturers and idlers of all deſcriptions.

Manufactures for home conſumption, though highly uſeful and neceſſary, I have ſtill thought myſelf bound to contend, cannot, in any proper ſenſe of the term, be regarded as a ſource of our wealth. Yet as a ſtimulus to agriculture, as tranſmuting the produce of the ſoil into wealth of another kind, and as contributing greatly to our enjoyments, their value cannot be diſputed; and no one is more ſenſible than myſelf of their vaſt importance in theſe reſpects, or has more ſtrongly inſiſted upon their claim to encouragement and protection.

Commerce, that is the exchange of manufactures fabricated by us for theuſe of foreign countries, for their products,

---

A fall in the price of agricultural produce, would not diminiſh the quantity of corn grown in the country; or, if it did, the price would ſoon riſe again. And ſo long as the ſame produce is raiſed, its temporary nominal price is of little conſequence. But in truth it is quite abſurd to fear that any great fall in the price of corn, with which we are never fully (though in good years nearly) ſupplied, ſhould be cauſed by the loſs of commerce, when that very loſs will keep the market bare, and of courſe the price high. And it would not, perhaps, be by any means inaccurate to contend, that the temporary depreſſion induced by the transfer of induſtry from one deſcription of objects to another, would be in the end beneficial, in the ſame way as Mr. Young has expreſsly admitted the fall of prices in the American war was; which fall, he ſays, was "*more like an indiſpoſition that leads to a milder regimen, than a dangerous diſeaſe that affects the patient's conſtitution; rather a relaxation to activity, than a prevention of vigour.*" (Ann. of Ag. v. i. p. 36.)—Mr. Young has accuſed me of inconſiſtency, but I ſubmit to the reader whether it is likely I ſhould have fallen into any contradiction more glaring than this. I have a high reſpect for the talents, the patriotiſm, and the unwearied and well directed induſtry of Mr. Young; but I confeſs I am ſomewhat ſurpriſed that he who in 1784 regarded a temporary depreſſion of prices as ultimately beneficial; who, in a paſſage which I have quoted, has given his animated aſſent to the opinion of

products, I have deemed myself, as before, warranted in concluding, is no source of our essential wealth, and utterly unimportant as to its influence upon our power and prosperity. We are indebted to it merely for a few luxuries, for the most part of questionable utility, and many of them productive of the most baneful injury to our health, our morals, and our happiness. To other countries commerce may be necessary. The sterility of their soil may render them dependent on their neighbours for food; for their unchecked progress in prosperity, may be required the power of purchasing their manufactures, in order that they may devote their undivided attention to agriculture; or nature, not always alike bountiful, may have denied them the raw materials of

---

of Adam Smith, 'That the flourishing situation of England is 'more to be attributed to the security of farmers in their leases, 'than to all our boasted laws for the encouragement of foreign 'commerce'—should now look upon this commerce as essential to our prosperity, because its loss may lower the prices of grain and wool!

As the substance of the rest of Mr. Young's letter, has been adverted to in the preceding pages, I will, in concluding this long note, merely observe, that in one instance Mr. Young has scarcely dealt fairly by me. He has reasoned on my arguments as though I had really proposed that the consumers of this country should, in the event of losing our trade, buy all the cloth, hardware, &c. previously exported. But he must have seen that my statements on this subject were merely hypothetical, and meant to shew that we have the *power* of supporting the manufacturers now occupied in preparing the objects of foreign trade. What I have really advised, is, their employment in producing the articles now imported; and at p. 66—69 of my pamphlet, I have actually shewn that the growth of corn, hemp, and a thousand other articles now imported (the very plan which Mr. Young recommends, as though I had never alluded to it) will be the mode in which our manufacturers, must, in such a case, be employed.

of ſome of the moſt eſſential manufactures.* But our lot, thanks to a kind Providence, is not thus dependent. Poſſeſſed of a ſoil in extent ſufficient for a population thrice as large as ours,—of fertility rendered ſuperior by our improved modes of agriculture to that of the moſt favoured ſouthern climes—concealing in its boſom an inexhauſtible maſs and variety of mineral treaſures, and capable of producing on its ſurface all that uſe or luxury the moſt unbounded can require:—Enjoying, too, a ſtate of civilization and refinement which will infallibly call for endleſs novelty in gratification; and a perfection in manufacturing induſtry which can never be at a loſs in ſupplying theſe wants; and thus in no need of any further ſtimulus to our agriculture than can be found at home:—Commerce is in no ſenſe neceſſary to us. We are in every view entirely independent of it.

Aware of the advantages intellectual, moral, and religious, which the human race derive from their intercourſe with each other; and that temporary evils muſt neceſſarily follow any ſudden change in the direction of our induſtry, I have not recommended that we

---

* Mr. Mill has ridiculed the idea that our commerce is more beneficial to thoſe with whom we trade, than to ourſelves. But I know not on what ground he conſiders this poſition as abſurd. Can he deny that the facility with which the Americans have obtained credit for the manufactures bought of us, has enabled them to apply their whole capital to agriculture; and that thus their progreſs has been beyond calculation more rapid, than if they had manufactured for themſelves? America, in fact, even ſince the Revolution, has been virtually cultivated by Britiſh capital; and who can doubt which has been the greateſt gainer? It is incalculable, too, how much Ruſſia, Poland, Pruſſia, and the reſt of the continent of Europe, have been benefited by the ſtimulus which the artificial riſe in our prices, cauſed by the national debt, has given to their agriculture. All theſe countries, almoſt ſolely through our demand, have had the price of their hemp, flax, grain, wood, &c. doubled within theſe thirty years. And who doubts of the beneficial effect of a gradual riſe in prices on every branch of induſtry?

ſhould voluntarily relinquiſh our commerce, nor is it deſirable that the efforts of our enemies to deſtroy it, ſhould be ſucceſsful. But ſhould theſe efforts ſucceed; ſhould our commerce be wreſted from us by a train of events not to be controuled, we have this great conſolation—that our riches, our power, and our proſperity, are derived from other ſources not within the ſphere of our rival's malice. Our agriculture, and our manufactures for home conſumption, he cannot touch, and by aid of theſe alone, we ſhall ſtill as much as ever tower pre-eminently in every great and good quality, above the reſt of the nations of the globe.

APPENDIX.

Remarks on the Criticiſm of the Monthly Reviewers upon the Pamphlet, entitled, "Britain independent of Commerce."

THE ſpirit of party has in this country diffuſed itſelf too extenſively, not to have infected thoſe periodical arbiters of literature termed Reviews. Accordingly, we find them zealouſly enliſted on one ſide or on the other; and a knowledge of an author's party in religion or politics, will enable us pretty accurately to foretel the ſeveral ſentences which will be paſſed upon him by the Profeſſors of the 'ungentle craft.' Some of theſe Journals, however, aſſume a more moderate tone, and wiſh to take credit to themſelves for ſomething like candour and impartiality in their deciſions. The *Monthly* Review, in particular, though its bias to certain tenets in politics and divinity is not attempted to be concealed, for the moſt part affects a greater ſhare of liberality than its competitors, to thoſe from whom it differs. Its conductors generally ſeem to think that calm argument, or an appearance of it, will be more likely to carry conviction, than hard names; and it is rare that it deſcends to virulence and abuſe.—It was with a mixture of ſurpriſe and pity, therefore, that I found this Journal departing, in its review of my pamphlet, from all its wonted moderation, and degrading its well-earned character by a critique exceeding in intemperance any thing that the moſt violent of its contemporaries have beſtowed upon me:—and all from the ſpirit of party. I cannot ſo eaſily give up the opinion impreſſed upon me by experience, as not to believe, that if the Monthly Reviewers had conceived me to be of their own party, or of no party, that they would, according to their uſual cuſtom, have been content to canvaſs my opinions with temper and moderation

moderation. But running away with the ridiculous aſſumption that my pamphlet was the profeſſed 'authority and apology' for the late orders in council, they give way to all the fury of their critical rage, upon a ſuppoſed advocate of theſe obnoxious meaſures of the preſent miniſtry; and comment on a ſummary of the abſtract doctrines of a ſyſtem of political economy, with as much virulence as the moſt decided party pamphlet could have called forth. I have neither 'information' nor 'intellect'—am a miſerable caviller at the fine diſquiſitions of Dr. Smith—a conjurer up of bugbears which never exiſted—'a mere ſcioliſt whoſe preſumption is equal 'to his inſufficiency'—and at laſt am overwhelmed with the tremendous ſentence, 'we have *never* met with *any* tract that engaged even a *temporary* attention from the public, which ſo little deſerved it.'

If the Reviewers (I chooſe to give them their regal title) ſuppoſed that this volley of abuſe from their critical artillery, would excite any other ſenſations in me, than amuſement at their prepoſterous ignorance in connecting me in any way with the acts of miniſters; and compaſſion for the weakneſs which could ſuffer this error to lead them to court the favour of their party, by ſuch uncalled for and degrading intemperance; they are greatly miſtaken. What I have witneſſed of the ignorance, precipitance, inconſiſtency, and often wanton malignity of many of thoſe who have aſſumed the critical chair, has long led me to eſtimate their deciſions at a very low rate; and few authors, I believe, would be at any time more callous to their attacks. But the moſt irritable of the '*genus irritabile*' would laugh at their moſt terrific bombs, when fortified by the ſale of four large editions of his work, and the approving ſentence of judges in his opinion more competent: and this happening to be my caſe when the mortars of the Monthly Reviewers were diſcharged, I could liſten to their exploſions with great complacency and indifference.

If theſe Reviewers had wiſely contented themſelves with a calm argumentative oppoſition to my theory, however deſirous of breaking a lance with heroes of their proweſs, I might have found myſelf unequal to the taſk; but in the eagerneſs of their attack, they have left ſo many quarters expoſed, and have

committed themſelves ſo egregiouſly, that I cannot refrain from ſeizing the opportunity of taking a harmleſs revenge for their illiberality, by expoſing their ignorance and preſumption. I am not about to enter on an elaborate reply to their criticiſm. What in it has the ſemblance of argument, has been already anſwered; and I feel no inclination to weary the reader by commenting on their idle declamation on the bankruptcies of France, and the ſtate of Mancheſter and Birmingham;—their ingenious propoſal to call the earth a machine and the agriculturiſt a manufacturer (as though the change of nomenclature would alter the queſtion) &c. &c. I ſhall merely point out one or two prominent ſpecimens of their ignorance and unfounded aſſertions; and ſhew that to the production of their criticiſm, party ſpirit has been the grand incitement—that its virulence and intemperance have been ſolely cauſed by the unfortunate aſſumption with which they ſet out—and conſequently that it is any thing rather than a fair review.

It will be no difficult matter to ſhow that the ignorance of theſe Reviewers is ſo groſs, that they are unaquainted with the contents of works on political Economy, which have within theſe few years paſſed in review before themſelves; and that their aſſertions, as to the doctrines which they ſay they have always contended for, are directly untrue.

The Reviewers ſay, that the leading axiom of the French Economiſts, that manufactures are unproductive 'has never to their knowledge obtained converts in this country.' What opinion, then, will the reader entertain of this '*knowledge*,' when I inform him, that the 24th vol. of their new ſeries, (page 28,) publiſhed not more than ten years ago, contains a review of a work by Dr. Gray, entitled, 'The 'Eſſential Principles of the Wealth of Nations illuſtrated, in 'oppoſition to ſome falſe doctrines of Dr. A. Smith and others,' in which *every one* of the doctrines of the Economiſts (except that which regards the landowners as a *productive* claſs, a mere verbal difference) is inſiſted upon much more earneſtly than I have done; in which, eſpecially, the axiom that manufactures are wholly unproductive, and no ſource of wealth, is ſupported at great length; and in which Dr. Smith's arguments in oppoſition to it, are examined and pronounced

nounced to be 'evaſive quibbles, and illuſive fallacies:'—What will the reader think of the '*knowledge*' of the Reviewers, when he reads the following paſſage, and is told that it is the commencement of the criticiſm of theſe very Reviewers on the above work:—'This is evidently the work of a writer 'who is much converſant with political reaſoning, and who 'poſſeſſes extenſive information, and more than ordinary 'acuteneſs. *He is a partizan of that ſect of political writers, 'who were denominated in France the Economiſts*'? Thus, inſtead of having any '*knowledge*' on the ſubject, it appears the Reviewers are ſo deplorably ignorant of what has been acting on the theatre of political economy in Britain, that they know not that they have themſelves lately reviewed a work zealouſly maintaining opinions which they ſay 'to their 'knowledge never obtained converts in this country!'—Their criticiſm upon the above work, too, proves the falſity of an aſſertion with which they ſet out. They ſay that 'they 'are jealous of any attack upon thoſe doctrines of political 'economy (Dr. Smith's) which they were the firſt to hail, which 'they aſſiſted to circulate, and *which on all occaſions they have 'uniformly aſſerted.*' If this aſſertion were true, what ſort of a critique ought they to have beſtowed on Dr. Gray's work? On mine, which is far from going the ſame length in ſupport of the doctrines of the Economiſts, they can ſcarcely find terms to wreak their 'jealous' diſpleaſure. Upon Dr. Gray, therefore, they ought to have ſhowered their avenging darts with tenfold fury. The terms 'miſerable cavils,'—'ſtale paradoxes,'—'abſurd poſitions,'—ſhould have deſignated ſo heretical a performance in every line of their Review; and the mere ſcioliſt without information,—a conjurer up of bugbears without intellect,—ſhould have thundered on the hapleſs author in every page. But is this the caſe? So far from it, that throughout the whole review, the ſame polite tone is kept up towards the author, of which a ſpecimen has been given. A calm analyſis of the work is made—Dr. Smith's poſitions are not for an inſtant aſſerted—and the Reviewers conclude thus: '*Without ſpeaking decidedly* on the 'principal points at iſſue between the preſent writer and the 'illuſtrious Adam Smith, we *recommend* the peruſal of this '*judicious* performance, to thoſe who turn their thoughts to

'the subject of political economy—perſuaded that there are 'few readers who may not derive from it ſome *uſeful* infor-'mation.'—What barefaced impudence—what matchleſs effrontery—in the authors of ſuch a Review, to pretend that they have been ever jealous of any attack on the doctrines of Dr. Smith, which they have *uniformly* on *all* occaſions aſſerted! —Nor is this the only inſtance that may be adduced, of the groſs incorrectneſs (to give no harſher name) of this aſſertion. The preceding pages have ſhewn that nearly all the main tenets of the Economiſts, have been embraced and defended by Mr. Malthus. Doubtleſs, then, theſe doughty Reviewers, in examining this gentleman's learned work, however they might approve of ſome portions of it, would evince their jealouſy—would aſſert their hoſtility—to thoſe heterodox poſitions. But have they done ſo? On the contrary, let the reader refer to the 43d vol. (p. 70.) of their Review; and he will there find an analyſis of theſe opinions, without the ſlighteſt diſſent from them:—On this occaſion, the watchful eyes of theſe Arguſſes ſlumbered, and their 'jealouſy' was buried in forgetfulneſs.

Such being the groſs ignorance and the wilful miſſtatements of theſe Reviewers, it is natural to enquire, what is the cauſe that in reviewing doctrines ſo ſimilar, they ſhould aſſume a tone ſo completely different? Why, in reviewing the work of one diſciple of the French Economiſts, they ſhould characteriſe it as a judicious performance of an author much read in political economy, worthy of the peruſal of all who turn their thoughts to the ſubject; and in reviewing the pamphlet of another, who is far from embracing the ſame doctrines ſo cloſely, they ſhould pronounce it a compound of ſtale paradoxes, ſupported by a preſumptuous ſcioliſt without intellect or information, and, in ſhort, leſs deſerving of the attention of the public than any tract that ever engaged even its temporary notice? The ſolution of this ænigma is very obvious. Mr. Malthus and Dr. Gray, theſe impartial critics conſidered as of their own party, or of no profeſſed party. Me they fooliſhly and falſely regarded as the profeſſed defender of men and meaſures that they have conſtantly condemned. On my devoted head therefore, was to be poured the full phial of their wrath. That their own party might be gratified—that

my

my ſuppoſed party might be humbled,—every bitter ſarcaſm, every inſidious inuendo, every miſrepreſentation and diſtortion that decency could poſſibly admit the uſe of on ſuch an occaſion, muſt be called into action.—And theſe are the men that would ſet themſelves up as patterns of candour, liberality and moderation!

But as is always the caſe when paſſion is ſuffered to get the better of reaſon, theſe good gentlemen woefully overſhot the mark. Much of their criticiſm might have been believed to be juſt, but for the laſt unfortunate climax. Had the Reviewers really ſo poor an opinion of the underſtanding of their readers, as to think they would credit that a pamphlet on *Political Economy*, even though ever ſo wretchedly treated, could be leſs deſerving of the public attention than *any* tract known to the Reviewers, that ever engaged it?—Unhappily, too, it is not eaſy for the authors of aſſertions ſo unfounded, to preſerve their conſiſtency; and the next number of their Review completely gave the lie to these in queſtion. In that number, in reviewing another pamphlet of mine, on the Diſtreſſes of the Weſt India Planters, they admit that 'by far the greater part of it is ably and judiciouſly 'executed;'—that its ſubject is 'thoroughly ſifted;'—and that its author is 'an animated and dexterous controverſialiſt, 'who ſhews much diſcrimination in expoſing the ſophiſms, 'and qualifying the concluſions of the advocates of the 'planters; who has proved with equal felicity how groundleſs 'are many of their complaints; and has ſhewn himſelf a 'perfect maſter of the heads which apply to their caſe.'—Now granting for a moment, that in the firſt pamphlet, my main opinions are erroneous, will any impartial man believe, that theſe opinions,—worked up into a theory which nearly all my opponents, except the Monthly Reviewers, have allowed to be at leaſt 'ingenious;' and by an author who by their own admiſſion can write ably, judiciouſly, and with diſcrimination on a ſubject cloſely connected—can it be credited, I ſay, that a work containing ſuch a theory, is leſs deſerving of the public attention than any tract known to the Reviewers, which ever engaged even temporary notice from the world? Every candid mind muſt at once ſee through the mean malignity of this unjuſt ſentence; and I heartily thank

thank the Reviewers for affording me ſuch a refutation—more unanſwerable than any other I could advance—of their remaining diſtortions and misſtatements.

To theſe, which abound in every page, I ſhall not advert. I am content with the ample expoſure which they have kindly enabled me to make of their glaring partiality, and ſhameleſs diſregard to truth. I ſhall diſmiſs them with a piece of good advice. They were once at the head of the Engliſh Reviews; but their northern rivals have ſunk them ſeveral degrees in the ſcale. They are ſtill, however, reſpectable, if they maintain their preſent place. But this place they cannot retain, if, devoid as they are of the ability of theſe rivals, they attempt to court the public eſtimation, by aping their defects. Unjuſt ſarcaſms and perverted ſtatements of an author's arguments, may be borne with when combined with ſplendid talents; but mediocrity will be inſufferable if thus accompanied.

FINIS.

Printed by Luke Hansard and Sons,
near Lincoln's-Inn Fields.

Lately Publiſhed,

BY THE SAME AUTHOR,

BRITAIN INDEPENDENT OF COMMERCE,

OR

PROOFS, deduced from an Inveſtigation into the true Cauſes of the WEALTH of NATIONS, that our Riches, Proſperity, and Power, are derived from Sources inherent in ourſelves; and would not be affected even though our Commerce were annihilated.

THE SIXTH EDITION.

THE RADICAL CAUSE

OF THE

PRESENT DISTRESSES

OF THE

WEST INDIA PLANTERS

POINTED OUT;

And the Inefficiency of the Meaſures which have been hitherto propoſed for relieving them demonſtrated; with Remarks on the Publications of Sir WILLIAM YOUNG, Bart. CHARLES BOSANQUET, Eſq. and JOSEPH LOWE, Eſq. relative to the Value of the WEST INDIA TRADE.

THE SECOND EDITION.